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FOREST INDUSTRY REPORT URGES INCREASED USE OF PEAT

Helsinki HUFVUDSTADSBLADET in Swedish 29 Apr 81 p 15

[Text.] The energy needs of the forestry industry will increase substantially in the next 10 years, due in part to the new investments now being made or planned. Measured in terms of tons of oil equivalent energy consumption will grow from the current 4.7 million tons of oil equivalent to almost 5.7 million a year by 1990. The increase will occur mainly in the domestic branches. For example the use of peat will increase from 130,000 tons of oil equivalent in 1980 to 500,000 in 1985 according to the target program for supplying energy for the forestry industry published by the Central Association of the Forestry Industry on Tuesday.

Especially in the manufacturing of paper, cardboard and automated pulp an expansion of production capacity can be expected up to 1985. Therefore the forestry industry has set as some of its main goals in the energy sector guaranteeing access to energy at competitive prices, conserving energy and improving our degree of self-sufficiency.

The forestry industry accounts for 25 percent of total energy consumption in our country and 40 percent of electricity consumption.

"In the area of electricity supply the forestry industry is considering with respect to increasing self-sufficiency participation in the expansion of electricity production either by building its own units or by working together with other energy consumers. This also applies to future nuclear power plants if they are built," said director Pentti Sierila of the Central Association of the Forestry Industry.

Less Oil, More Peat

The use of imported fuel should increase only a little and if possible remain constant. One raw material that might be used more than it has been in producing energy for the forestry sector is coal but developments there will depend on decisions made in the next few years concerning a possible new big power plant for Finland.

The biggest increase will occur in the use of domestic fuel and here peat is especially prominent. Up to 1985 an increase of almost 300 percent is expected--from

130,000 to 500,000 tons of oil equivalent a year. Peat's popularity will continue to increase after 1985 too. The projection of the forestry industry lies somewhere between 640,000 and 860,000 tons of energy equivalent for 1990 which would mean that peat would then surpass bark as the second most important domestic raw material source of energy. Trash will continue to maintain its position as the most important domestic fuel.

The final outcome for peat development will depend to a large extent on price and availability of peat, Sierila said. His contention is that peat prices should not follow those of oil but that they should be based in the future on true costs of production.

To insure a supply of peat the forestry industry has stepped up purchases of peat bogs and drainage of the bogs has begun.

6578

CSO: 3109/184

BRIEFS

COGENERATION PLANT--The Tor di Valle cogeneration power plant will go into operation in 1982. It will simultaneously supply electrical energy and heat to a district with 21,000 residents, a total of 5,000 apartments. The power plant will be installed at Torrino South, between the Cristoforo Colombo highway and the Ring Road, and for district heating it will use a pipe network totaling about 9 km. Water will circulate through it at a temperature of 120° C. The plant will be capable of supplying electric power of 24.5 MW and continuous thermal power of 44 MW. This additional 24.5 MW of electric power will be very valuable to the entire city, especially in the winter peak hours. The centralized system for production and distribution of energy and heat will have positive effects on the costs that the private consumer will have to pay for using the service (a saving of 10 percent is expected), because of the total absence of operating costs (no operating expenses for boilers and maintenance). It will be possible to obtain a saving in the construction of homes and stores also, because there will not have to be any boiler-installation work. The system will be advantageous to the environment also, because of the absence of noise pollution and toxic residues. All this will be possible thanks to the initiative of the Commune (Technology Department), which, through competitive bidding, awarded the work to a specialist company from Florence ("Nuova Pignone"). The IMI [Italian Credit Institute] loan will be to the account of the ACEA [expansion unknown]. [Text] [Rome L'UNITA in Italian 13 May 81 p 11] 11267

DECREASE IN OIL CONSUMPTION--Oil consumption continues to decrease in Italy. In March, according to industry sources, consumption was 8.87 million tons of petroleum products: 6.8 percent less than in March 1980. At the end of last year, there was already a 3.2-percent overall drop in consumption from 1979. The decrease, though, has not encompassed all products. The constant price increases did not, for example, produce a drop in consumption of gasoline and gas-oil on permit; indeed, these products rose by 3.6 percent and 6.4 percent, respectively. The downward movement occurred rather in the industrial and heating sectors: gas-oil for heating decreased by 9.1 percent, while gas-oil for industrial use dropped by 9.6 percent. This last datum reflects the unfavorable trend in the current economic situation. But apart from the state of recession, which exists throughout the world of production, there are other causes to be sought, in the decreased activity of the steel firms and in the conversion to which many establishments have been subjected in order to use other energy sources (such as the cement plants, most of which have gone over to coal). [Text] [Rome L'UMANITA in Italian 18 Apr 81 p 2] 11267

USE OF 'COPPERSUN' SYSTEM--The very thin "Coppersun" sheet of copper that transforms light into heat--devised by the Italians Angelo and Antonio Pedone and experimented with in Belgium with financing by the local government--will come to Italy also. In

Milan, a contract has been signed between Coppersun SpA (the Pedones' firm, with participation of the Belgian state) and Broggi Izar SpA. The latter has exclusive rights for Italy, and has an option for purchase of a shareholding in Coppersun. Broggi Izar is taking a share in the establishment that will be built in Italy, perhaps at Melignano, near Milan, where there will be a duplicate of the gigantic pair of machines used for making the product and also patented by the Pedones. As regards the project for an antiseismic solarized house, the contract is going to a firm already specializing in solar collectors, the Alsco Malugani company of the EFIM [Manufacturing Industry Holding and Financial Company] group. The Pedones' project is to build small houses of the bungalow type, capable of self-contained heating by sunlight, to be proposed as housing for the victims of the earthquake in the South. Once again we are forced to import Italian technologies that found abroad the financing they needed for applied research. [Text] [Rome IL TEMPO in Italian 3 Mar 81 p 19] 11267

CSO: 3104/259

RISING EXPENDITURES INCREASE BUDGET DIFFICULTIES

Hamburg DER SPIEGEL in German 11 May 81 pp 110-111

[Article: "Hour of Truth"]

[Text] All attempts at cover-up were in vain; it has finally surfaced: In 1981 Bonn will go deeper into debt than it claimed for many months. And prospects for the next few years are not any better.

Hans-Dietrich Genscher was furious. Last Wednesday during the cabinet session the FDP chief accused the Social Democrats of acting alone and increasing the federal debt by approximately DM 7 billion. If this is what the SPD wanted, it should first make sure that it had the support of the parliamentary majority--"and we are part of it."

His colleagues, the Social Democrats, felt that the excitement was not quite genuine. Now the Free Democrats could once again seize the opportunity, showing off as if they were the reliable fraction in the government. In reality, however, they are glad that the coalition partner took it upon himself to make public Bonn's financial plight, that until then had carefully been glossed over.

Nevertheless, tactical tricks can no longer help either one of Bonn's coalition partners. Money problems have almost incapacitated Bonn's administration; none of the participants can disclaim responsibility.

Minister of Finance Hans Matthoefer is now finding out where attempts at cover-up, concealment, maneuvers and shifting lead. DER SPIEGEL already reported 6 weeks ago that the Federal Government would not be able to manage with DM 28 billion in additional debts, as was claimed by the minister of finance; rather, the deficit would exceed DM 35 billion. Matthoefer, always good at making strong statements, said at that time: "It is a figment of the imagination, without a real basis when it comes to reality."

Now even Matthoefer has officially arrived at DM 34 billion; and the further the year progresses, the more he will have to stick to the truth in public too.

Alert parliamentarians had realized months ago that Matthoefer's plans for revenues and expenditures--for this year as well as for the next few years--was based on wishful thinking. They worked meticulously, figuring out in detail how the predicament could be resolved. The only way out: cut expenditures.

Eventually the parliamentarians presented their leaders, Helmut Schmidt and Hans-Dietrich Genscher, with a comprehensive list of cuts. The chancellor and his vice chancellor, however, declared that it was not the responsibility of the deputies. Decisions of such a drastic nature could only be made by the leadership of the coalition.

At any rate, just before the parliamentary Easter recess, SPD budget committee members informed Herbert Wehner, leader of the fraction, of the catastrophic condition of the budget. The resistance within the fraction became more and more fierce because of constant demands for additional funds for the defense budget. Budget expert Rudi Walther said: "We do not want to bear the responsibility alone any longer."

The weekend before last a closed meeting was called by Wehner and Walther wrote down for his colleagues what was still needed for this year:

--almost DM 5 billion for Minister of Labor Herbert Ehrenberg; DM 4.1 billion of this amount is for the Federal Institute for Labor;

--DM 700 million in additional interest on the national debt;

--at least DM 1 billion that will have to be absorbed because of reduced tax revenues (caused by the sluggish economy) and the weak market;

--DM 0.5 billion for road and housing construction which had not been included in the budget;

--finally: more than DM 1 billion demanded by Minister of Defense Hans Apel and on which the cabinet wants to make a decision this week. Last Thursday night the minister of finance and the minister of defense together with the chancellor tried to come up with a tentative settlement for financing the Bundeswehr.

Whatever social-liberal finance managers are touching, in 1981--a year of stagnation--everything is getting more expensive.

Last week, for instance, Apel's officials were figuring out the cost for the superbird Tornado and they discovered that the amount needed was not, as had been assumed until then, DM 270 million. The latest figures show a negative balance of DM 546 million.

The minister of finance had barely approved an additional DM 4.1 billion for the Federal Institute for Labor, and the figure was already outdated. Thursday last week, the administrative council in Nuremberg submitted an amended version of the budget plan, listing the required subsidy at DM 4.8 billion.

Bonn is still much too optimistic, presuming that during the course of the year "global" budget savings of DM 1.9 billion can be attained. Nobody knows where.

Uncertainty with respect to tax revenues, international assistance to Poland and Turkey as well as risks in connection with the EC budget could easily add an additional burden of several billion German marks.

Compared to that, the Subsidy Reduction Law passed last week by the Bundestag looks quite insignificant. It yielded funds from the Federal Government and from Laender in the amount of DM 1.7 billion.

Projections for the next few years also have little in common with reality. According to the financial plan, real expenditures for defense, for instance, will decrease in 1982 by 1.8 percent; subsequently they will rise by 0.5 percent--which is a utopian supposition in view of the demands from the United States. When applying realistic figures, the shortage of funds will rise to approximately DM 14 billion by 1984.

Subsidies to unemployment insurance are to decline rapidly, assuming a decrease in the number of unemployed people. For 1982 there are even plans to transfer DM 1 billion from the Nuremberg Institute to Bonn. Instead, however, Matthoefer will probably transfer more than DM 8 billion to the Unemployment Insurance Fund.

Furthermore: According to resolutions by the SPD and the FDP, development aid is to be increased step by step until 1985, when it will amount to 0.7 percent of the gross national product. Resulting shortage of funds: approximately DM 14 billion.

Subsidies for the German Federal Railways, as planned on paper, were set at approximately DM 13 billion annually. As a consequence, the railroad will accumulate until 1984 a debt of more than DM 47 billion. The state enterprise will then no longer be able to take on additional credit.

And finally: Next year the European Community will not be able to get along with the money it gets from its member states. Based on past rates of increase in the EC budget, the Germans would have to pay an additional DM 6.5 billion during the next 3 years.

Bonn officials who for a long time have eloquently disputed the fact that their finances are no longer in order will have a difficult time during the next few years trying to reduce the mountain of debts. It already appears illusory that new debts next year will be no more than DM 26 billion.

Budget experts in parliament fear that it is likely that borrowing next year will be heavier than in 1981. It will drive up the interest rate even more, although it is already paralyzing the economy.

As far as Hans-Guenter Hoppe, vice chairman of the FDP fraction, is concerned, the "hour of truth" has arrived. He recommends the submission of a second comprehensive Subsidy Reduction Law together with the draft for the 1982 budget, and he recommends a "solidaristic reducing diet" which must affect all groups of society." Hoppe: "It is now cutting into benefit laws."

Genscher, his party chairman, is of the same opinion. He already knows who will be affected: the masses of FRG Germans, above all, low and middle-income people.

Nobody, according to Genscher, will be better able to implement such sacrifices than the SPD, the party of the little person, in conjunction with labor unions,

the representatives of workers' interests. In small circles the FDP chief concedes that if the liberals or the conservatives would demand such a sacrifice, social peace in the FRG would be in jeopardy.

It is also evident that certain groups--if this concept is applied--will not be among the masses of the Germans--particularly farmers and civil servants, who for years have been under Hans-Dietrich Genscher's personal protection.

8991

CSO: 3103/307

DIRECTOR OF DTCA REVIEWS ITS OBJECTIVES, RESPONSIBILITIES

Paris DEFENSE NATIONALE in French May 81 pp 35-43

[Article by Georges Bousquet, general engineer of armaments: "The Directorate for Technical Aeronautical Construction"]

[Text] The Directorate for Technical Aeronautical Construction [DTCA] is presented to us here by its director, General Engineer Georges Bousquet. It is one of the major technical directorates of the Delegate General for Armaments [DGA], each of which has its own area of responsibility. That of the DTCA, which is the government's expert in the aeronautical sphere, is to handle military programs for the three branches of the armed services and also civilian programs. Since the beginning, its organization and structures have been adapted to the conducting of programs entrusted to industry.

Every 2 years, the Aeronautics and Space Show provides an opportunity to take stock of the most recent technical accomplishments and consider at various levels all of the questions pertaining more or less directly to the future of the aerospace sector which is changing more rapidly than ever.

The DTCA is particularly affected by these changes; thus, it is normal for that organization to make an analysis of the situation, of the trends which are developing and of the best possible way it can contribute, not only to the completion of programs already begun but also to preparation of the future--being well aware that the future requires initiatives and guidance long before decisions are made to launch programs.

Basic Principles Unchanged

Without going back to the beginning--to do that we would have to recall the creation of official services which, in France, occurred simultaneously with the emergence of aeronautical techniques, and this, as early as 1877, with the Chalais-Meudon Establishment--we should note that, during the course of many changes, the DTCA has continued to carry out its basic mission as the government's expert for aeronautics in both the military and civilian equipment sectors.

This situation, on the scale of a country like France, has made it possible to avoid the disadvantages of a costly duplication of effort by the specialists of various techniques and of unnecessary investments; moreover, despite the specific nature

of the equipment and perhaps because of it, the faithful performance of DTCA's mission has made it possible to profit by an accumulation of experience extended to a much greater series of programs and conditions of utilization; this experience applies not only to basic techniques but also to the carrying out of programs in their various phases, the development of equipment and its performance in operation, particularly from the aspects of safety, feasibility and maintenance organization.

However, despite the extent of the civilian programs, it should be noted that attention to civilian activity by the DTCA continues to be relatively minor (about 12 percent at present), which is explained by the nature of the allocations made--naturally more extensive for military equipment of which the government is also customer and user.

From the beginning and with very few exceptions, the DTCA has always engineered and developed aeronautics equipment with industry in mind; that is undoubtedly due to the fact that, throughout the world, aviation has been the result of individual initiative with industrial risk-taking immediately following that of the pioneers. This characteristic has strongly influenced the behavior of the official services connected with aeronautics; in any case, it led them to become organized very early in terms of government-industry relationships.

As for organization and procedures, the official services connected with aeronautics, always careful to avoid excessive formality, were induced very early to come up with solutions which gave evidence of their efficiency; they proved to be sufficiently flexible to adapt gradually to changes in techniques and conditions which adhered to the same basic principles.

In the main, if we omit the two industrial aeronautics shops whose activity centers around the repair of military equipment, the DTCA has always tried to take advantage of the necessary capabilities and structures--on the one hand, to conduct and carry out all aspects of the programs for which it is responsible and, on the other, to assure the satisfactory development of equipment and proper control of work entrusted to industry.

In the first category we naturally find services involving specialists in various development techniques and program directors; this grouping, which occurred in the very beginning, turned out to be well adapted to an interwoven organization--techniques and programs--whose interest is no longer in demonstrating but rather in recognizing that necessary changes result from an increasingly marked integration of systems. Moreover, here we have a relatively small organization inasmuch as the entire "central organization, all services combined" subordinate to the DTCA represents about 1,000 persons compared with 100,000 persons in industry.

In the second category, whether they do or do not now belong to the DTCA, are the test centers, services responsible for industrial surveillance, services whose expertise is pricing and many other organizations such as the ONERA [National Office for Aerospace Studies and Research], the SOPEMA [Company for Specialized Service in Environment Tests] and the like. Within the DTCA, three test centers--the CEV [In-Flight Testing Center] (Bretigny, Istres, Cazaux), the CEPr [Aircraft Motor

Testing Center] (Saclay) and the CEAT [Aeronautics Test Center of Toulouse] (Toulouse)--are equipped with all necessary means to develop, test and evaluate aircraft and their motors, equipment and associated weaponry; some of these means represent very costly and sometimes one-time investments, and one of the roles of the test centers is to make those means available to manufacturers who are not so equipped; this is particularly the case with aircraft testing facilities used by equipment manufacturers. These test centers have larger staffs in view of the tasks they must perform in carrying out the tests and developing the corresponding means.

The DTCA has always attached particular importance to preserving this potential, obviously a key element in the accomplishment of its missions and, in addition, a valuable tool for training personnel just beginning their career.

Services Being Radically Restructured

Since 1 January 1980, DTCA's services have been subjected to substantial restructuring to enable them to adapt more effectively to the changes which have occurred, not in their missions which have not varied basically but in the conditions under which those missions are carried out and in the general environment of the directorate.

The objectives in mind concerned essentially a strengthening of program leadership, particularly through a closer relationship between development and mass production, a better understanding of how the system works, preparation of the future and a regrouping of activities relating to price, production and maintenance.

Three new services--two technical and one central--have therefore replaced the previous ones. The two technical services--the STPA (Technical Service for Aeronautical Programs) and the STTE (Technical Service for Telecommunications and Aeronautical Equipment)--deal with all aeronautical techniques,* including those relating to technical installations of an infrastructure and service nature; the division chosen distinguishes essentially between the vector (cell, motor and circuits) for which the STPA is responsible and the systems (equipment and weaponry) for which the STTE is responsible. In each sphere the corresponding service is entrusted with all aspects of the program: preparation of the future, engineering and development, mass production and industrial maintenance; this solution makes it possible to assure greater continuity among the various stages in the life of a piece of equipment which, at present, have a tendency to experience numerous overlappings and many interactions.

Of course, the program directors, who can belong to either of the two services according to the nature of the equipment involved, rely, as necessary, not only on the specialists of the DTCA services but also on those of the entire DGA; thus, in the case of a plane or helicopter program, the program director, who is then working under the auspices of the STPA, has the overall direction of the complete weapons system; his role extends to all aspects of the program, whatever its stage, including international aspects.

*Except the new missiles for which responsibility was transferred in 1970 to the Missile Technology Directorate.

Although concerned with the equipment as a whole, the STTE has particular interest in the electronic sphere; its departments--communications, surface detection systems, piloting, navigation and integration, airport detection and countermeasures, weaponry and reconnaissance--permit it to conduct programs relating to shore and surface electronic systems in which data processing techniques and integrated systems are playing an ever greater role.

The central service, or SCPM (Central Service for Production, Pricing and Maintenance), is responsible, on behalf of the entire DTCA or even other DCA directorates, for analytical activities of a more functional nature when compared with the activity of the two technical services. It is charged with general problems of an industrial type within the province of the directorate; it promotes the development of various cost reduction activities; and it participates in any changes in regulations, methods and procedures relating to negotiations and pricing as well as to the negotiation of sizable contracts; in case of a price investigation, the SCPM exercises extensive activity inherited from the expertise and price section whose missions it took over; finally, on the question of maintenance, operating on the general level, it assures good relations between the DTCA and civilian and military users; and, in collaboration with the Service for Industrial Surveillance of Armaments, it is responsible for analytical studies and the coordination of the activities of the technical services.

Work Methods Subject to Continuous Adaptation

Generally speaking, the work method adopted since the beginning is one of dialogue, and this in a continuous manner, both with the general staffs and with industry; in fact, in such a changeable and complex area--where man-machine interaction plays a predominant role--it is necessary to engage in unending exchanges making it possible to examine all the aspects of problems often difficult to discern and whose solutions may appear only at the end of a repeated process passing through many stages and successive evaluations before arriving at the best--or the least inadequate--compromise.

This necessary dialogue must be carried on at all levels to be completely effective, which implies sufficient representation at the various levels of the organizations in confrontation but also extensive experience in work relations and good mutual understanding; the basic organization is usually composed of one of the service's engineers in charge of the program, a qualified officer from the general staff and a properly designated engineer representing industry; the success of the operation and the quality of the result obtained depend largely upon how well the members of that organization work together. Improvement in dialogue together with the use of relatively smooth procedures has made it possible to comply with the necessary adaptations up to now.

Another element essential for carrying out the programs successfully is that of the proficiency of the government services; in fact, a high degree of proficiency is indispensable, both to preserve the interests of the state and, perhaps more important, to assure, through the above-mentioned dialogue, the best possible options at all decision-making stages--small or large--which crop up as the program

proceeds; and, of course, to prepare--with full knowledge of the facts--the guidelines and choices of the most important programs, which may at times emanate from the highest political level.

Obviously, to acquire and retain such proficiency poses a delicate problem in cases where the responsibility is totally in the hands of industry; for that reason the DTCA has always made sure that its services had the right to exercise--through its specialists in key areas--a certain amount of judgment and evaluation independently of industry; in this respect, the services lean heavily on the testing establishments which, moreover, are faced with a similar problem with regard to the means available to manufacturers; and to retain this capability, there must be a continuous policy aimed at adapting the means to the prime objective.

It is true that work methods in all areas reflect changes in techniques: the systems idea which is present everywhere, the development of numerical techniques and, consequently, the increasing importance of data processing and software, as well as possibilities for ever greater offers through effective calculating facilities and various simulation techniques, are leading to radical innovations.

On the one hand, the systems concept rests increasingly on a multidisciplinary approach which leads to the early intervention of specialists in the various techniques involved--with the participation of research organisations when necessary--and, in carrying out the programs, to the adoption of planning and coordination procedures by both the official services and industry, and this is much more developed than in the past; on the other, during the development stage the facilities and methods should be adapted to an ever increasing use of data processing and simulation tools: for example, because of such adaptation, it is possible to increase the effectiveness of the tests considerably--while simultaneously decreasing the risks--and consequently, despite the ever increasing complexity of the equipment, to restrict any corresponding increase in the number of such tests which would quickly become unacceptable in terms of duration and cost.

Moreover, the subject of costs has gradually become increasingly important with the development of almost unlimited technical and technological possibilities which could very well lead to a race for equipment sophistication. This must, therefore, be a source of major concern for the DTCA which is acquiring an ever increasing grasp of all elements which make up the cost, control over the announced specifications and ever increasing strictness in carrying out the programs, particularly with regard to any change in definition, but which also uses all possible means to reduce those costs and obtain the most economic solutions; obviously, this is not always compatible with small production runs, and in the military sector the performance level must keep pace with a threat which is increasing every day. In addition, we should mention the impact which the search for means of saving energy is having on the specifications of the equipment, particularly evident in civil aviation where it is now one of the determining factors in competition but also very important in the military sphere wherever conditions permit.

Finally, we should note the influence of the international aspect which is making its presence felt in the volume of exports planned by industry but also in the form

of greater competition on the world market which is also evidenced by the inevitable international nature of certain problems whose solution cannot depend on a single country but rather on cooperation among nations or within a group of nations by virtue of certain activities or even programs carried out jointly. The DTCA is directly involved in these different aspects, particularly when they include cooperative programs or programs in which France is called upon to play a role, but also in the case of a variety of operations connected with international agreements, Common Market regulations and the like. The role of the international factor has gradually become more pronounced in all forms of activity and, in some cases, special organizations have been established in accordance with the circumstances, care always being taken to keep them as flexible and efficient as possible; naturally, they will have to adapt to any new circumstances which may arise in the future.

In conclusion, it is clear that the many changes--technical, economic or international--to which the aerospace sector is being subjected have a direct influence on the DTCA's activities; this organization, faithful to its primary mission as the government's aeronautics expert, has always tried--even recently--to adapt to change while retaining a minimum amount of administrative personnel and the simplest possible procedures.

Its main concern is to be able to answer problems which come within the scope of its responsibility, particularly relating to the carrying out of programs, and, to do this, to see that a high level of competence is maintained by the government services for the successful accomplishment of its mission through the upgrading of its personnel and proper adaptation of its technical means; of equal concern is to prepare for the future, and this is accomplished through a series of actions which range from research to advance engineering and exploratory measures, including experimental models, all of which are prerequisites to the success of future programs.

8568

CSO: 3100/749

GOVERNMENT TO CUT 12 BILLION KRONOR FROM SOCIAL PROGRAMS

Stockholm DAGENS NYHETER in Swedish 29 Apr 81 p 10

[Article by Dick Ljungberg]

[Excerpts] The expansion of day nurseries and long-term nursing care is going to be hit by the government's austerity plans, which call for cutting back at least 12 billion kronor in the next fiscal year (1982-1983). Local adult education programs, the SIA [Internal Working of the School] school, and several big hospital projects will also be affected. That is what emerges from the supplementary budget bill being submitted by the government now, right in the middle of the government crisis.

The supplementary budget bill is a revision of the 1981-1982 budget bill submitted in January. According to the constitution, the supplementary budget bill must be submitted before the end of April.

That explains why the important section on taxes is left hanging in the air in today's situation. The budget bill says: "The talks between the coalition parties and the Social Democrats are not yet completed," but the Social Democrats say that as far as they are concerned, the matter has been discussed for the last time and that instead, talks are now going on within the government concerning its own future.

The reason for the government's desire to include cutbacks of at least 12 billion kronor in the budget to be submitted in January 1982 is that the budget deficit is continuing to grow rapidly despite the retrenchments proposed earlier.

Interest Costs Up

The deficit is expected to rise by 17 billion during the current fiscal year to a total of 74.9 billion. And according to the long-range budget, the deficit in 1985 may be all the way up to 99 billion. Of all government expenditures, it is the interest on foreign debt that is rising most rapidly.

Minister of Budget Rolf Wirtén (Liberal Party) writes: "The economy measures that are now needed will necessarily affect living conditions for large groups in society. At the same time, the economy measures must not hurt the groups that are worst off."

The municipalities will have to bear a heavy burden in these cutbacks. Expenditures will be allowed to rise by no more than 1 percent per year, compared to an estimated 3 percent this year and from 4 to 5 percent in recent years.

SIA Will Be Restricted

Another rule for the municipalities is that the combined schoolday (the SIA school) and domestic science in the lower and middle levels will be permitted only if they do not cost anything extra. Local adult education is to be cut back at the same rate that basic education for adults is allowed to increase, beginning with the 1982-1983 school year.

About four-fifths of the government's expenditures are determined automatically--that is, they increase not through a decision by government authorities but, as one example, on the basis of price and wage changes. Wirten now wants to attack that automatic system in dead earnest.

The general subsidies--those that benefit everyone--must be restricted. They include food subsidies. The actual development of costs will have to be reflected in prices to a greater extent.

No Reforms

Certain social grants are to be reviewed to insure that they are directed to the most needy, and a study is to be made of the possibility of introducing a greater element of deductible limits into the social insurance system. This would apply to health insurance, as one instance.

Rolf Wirten maintains that there can be no new reforms in 1982.

In his revised budget, Minister of Economy Gosta Bohman (Conservative Party) expects developments in 1981 to show a 1.5-percent rise in exports and a 6-percent decrease in imports. Imports of petroleum products are expected to drop by a full 7 or 8 percent.

Private consumption will decline by 1.5 percent, and disposable household income will drop by 2 percent. Inflation is therefore expected to stop at 9.5 percent for 1981.

According to Bohman, cutbacks of 12 billion kronor in 1982-1983 will reduce private consumption by 0.5 percent.

The demand for manpower during 1981 is expected to decline by between 30,000 and 40,000 persons. Added to that will be 25,000 people entering the job market for the first time. Not until the end of the year will we be able to see some improvement in the labor market as a result of better international economic conditions.

11798

CSO: 3109/176

STUDY EXAMINES SUCCESS OF WELFARE STATE PROGRAMS

Stockholm DAGENS NYHETER in Swedish 30 Apr 81 p 10

[Article by Peter Bratt]

[Text] On Wednesday the Central Bureau of Statistics presented a booklet entitled "Social Report on Inequality in Sweden." It is an encyclopedia of the inequality existing among social classes and groups in this country. It is evident from the booklet that the entire population is gradually becoming better off, but that class differences still exist.

The report shows how welfare is distributed and is concerned primarily with the years 1977 and 1978. According to the Central Bureau of Statistics (SCB), the situation is more or less the same today.

Joachim Vogel, who headed up the project, writes in a summary of the report that its purpose is to provide a factual basis for the debate on equality. It is intended for a broad public and is meant to be used as a reference book for statistics on living conditions. It is being published by the Liber Publishing House under the title "Welfare for Whom?"

Welfare is measured through a number of components such as education, employment, working environment, income, housing, leisure time, social contacts, health, political resources, and so on. There are 80 components in all.

Work Characterizes Life

The population is also divided into 80 different groups that are compared with each other on the basis of how welfare is distributed among the groups. What this involves is the different socioeconomic groups (which have replaced the former social groups) such as wage earners, salaried employees, businessmen, and farmers. The breakdown covers men and women, groups consisting of different family types, persons with low incomes, immigrants, and so on.

Sweden is the only country in the world that makes an annual survey of the distribution and development of welfare by conducting 10,000 interviews per year.

Differences in working life are the basic explanation for inequality in society, according to Vogel. Pay, working environment, and the opportunity for advancement in one's job are fundamental to one's total life situation. Vogel found that wage

earners experience considerably poorer working conditions than salaried employees and businessmen. A compilation of 23 different definitions of welfare shows that salaried employees, and especially executives, are considerably better off on point after point.

For example, 60 percent of the wage earners have no opportunity to learn anything new on their job, compared to 15 percent of the executives. Of the wage earners, 35 percent see their job as "a necessary evil" whose only significance is the paycheck. Almost none of the executives have that attitude.

Twenty percent of the wage earners cannot come up with 4,000 kronor in a week's time, compared to 6 percent of the executives. And 41 percent of the wage earners did not take a vacation trip during the past year, compared to only 19 percent of the executives.

In his summary of the report, Joachim Vogel writes: "Behind that accumulation of different kinds of problems, we can glimpse a chain of causes: difficult economic conditions while growing up and a short education--the social heritage--lead to a job with poor working conditions that often provides a low income. And that results in a poorer living standard."

But the report shows that there are many groups whose problems are considerably worse than those of the wage earners. They include the extremely poorly educated, the disabled, and immigrants.

For example, 47 percent of the immigrants from Southern Europe cannot come up with 4,000 kronor within a week, and 35 percent of them live in overcrowded conditions, compared to 11 percent of the wage earners.

As far as being alone is concerned, more than two-thirds of all single pensioners are women. The reason is that on the average, they live 6 years longer than men, and also that they are often a couple of years younger than the men they had been living with.

University Graduates in Adult Education

Government-subsidized adult education is used mostly by those who need it the least. The intention was to reach those with the least education and the biggest problems, such as the disabled, immigrants, the unemployed, and low-paid semiskilled workers. Among those groups, only about 15 or 20 percent take part in studies, compared to 55 percent of the university graduates.

A bright spot is our housing. In 1960, 38 percent of the Swedish population lived in overcrowded conditions. Today the figure is only 5 percent, and by "overcrowded" is meant that more than two persons share the same room, not counting kitchen and living room. By comparison, 35 percent of the immigrants from Southern Europe live in overcrowded conditions.

Nowadays, 78 percent of all adults have access to an automobile.

The most fearful people in the country are single women pensioners. A full 35 percent of them do not dare go out alone in the evening for fear of being assaulted. Of that group, only 2 percent have ever actually been exposed to violence or threats.

Women pensioners are therefore needlessly afraid, in contrast to young men, who are excessively unafraid. Only one out of a hundred men between the ages of 16 and 24 is afraid of encountering violence, while 11 percent of them actually are beaten.

Wealth is very unequally distributed. Ten percent of the richest people own more than one-half of all the wealth existing throughout the country.

11798

CSO: 3109/176

COUNTRY FLOATS LARGEST EVER INTERNATIONAL LOAN

Stockholm SVENSKA DAGBLADET in Swedish 21 Apr 81 p 27

[Article by Anders Nilsson]

[Text] Last Wednesday Sweden signed for the largest foreign loan it has ever floated--a total of 6.5 billion kronor. That increased our indebtedness to foreign banks by 1,000 kronor per Swede. But Sweden need not worry, say the bank officials who arranged the jumbo loan. Our credit rating is still the highest possible, and lending money to Sweden is a safe investment for the banks.

London-- My trust is in God alone" is the motto on the wall and chairs at the Clothworkers Hall in the City, London's banking center.

On Wednesday 15 April 1981, those words applied to the highest degree. On that Wednesday the Clothworkers Hall was the place where Sweden signed for its largest loan ever. The total amount of the loan is 6.5 billion kronor. And it does not seem likely that the just over 100 bankers from 64 banks would be trusting anyone other than the Lord himself. The loan papers covering the borrower's obligations comprised 138 documents of 60 pages each. Every piece of paper had to be signed. Every small detail was included--for example, the steps to be taken if Sweden misses a payment. If its error is not corrected within 5 days, the entire loan falls due immediately.

The signing took approximately 3 hours and was followed by lunch. And with that, the Swedish Government's foreign debt had jumped up to 55 billion kronor.

Mother Sweden Is Good Business

The image of Sweden as an impoverished borrower depending on charity to pick up a few alms here and there for financing its budget deficit scarcely fit the surroundings. Lars Kalderen, who heads the National Debt Office and is responsible for the loan to the Swedish Government, was sitting in the center of the room as though on a throne. Around him sat the world's most solvent gathering--at least from the standpoint of the banks represented there. There was one speech after another. The speakers explained how delighted they were to share their dollars with Sweden. "At the moment, it is true that your country's economy is slightly out of balance. But where in the world is the situation any different?"

For the banks, Mother Sweden's borrowing requirement is a good piece of business. The client in question is not so solvent that she can manage her expenses by herself. But her collateral is still very good, and the loan funds are a very safe investment for the banks.

Petroleum Money To Pay the Petroleum Bill

Most of the guests attending the luncheon at the Clothworkers Hall were within walking distance of their jobs. Every bank with any interest in being an international presence is among the 400 in the City. Together with New York, London is the most important nerve center for the world's petrodollars. Approximately 1 trillion Eurodollars (dollars outside the United States) are on the market. Most of that money has passed through an oil well somewhere along the way.

Sweden gets to contribute approximately one-tenth of the oil billions for sharing with others in need. Money that perhaps was paid by Sweden for its petroleum can be borrowed here for paying the petroleum bill. It is available at LIBOR (London Interbank Offered Rate) plus three-eighths of a percent, and must be paid back in installments over 10 years.

Deal Involved 2,000 People

The 64 banks represented at the meeting with the Swedish borrowers constitute the group that went all out, with each contributing its share to the Swedish loan. Five months of negotiations, trips, studies, and inquiries have ended. A total of 450 banks were invited to participate in the loan. Approximately 2,000 people have either shared in the work or made a decision concerning the loan since the first preliminary stage in November.

The ideas concerning the loan began to take shape in an economic joint consultation group whose main members were Lars Kalderen and Lars Wohlin, governor of the Bank of Sweden; Peter Engstrom, chief economist for the National Debt Office; Olle Norell, assistant comptroller of the National Debt Office; Under Secretary Bengt Westerberg of the Ministry of Economy; and Krister Wallin of the Investment Bank.

Loan for Purposes of Study

Four years ago--in 1977--foreign borrowing began to speed up. Before that, Sweden had gone abroad to borrow money only for railway construction. The only exception had been a loan in the 1950's that had been obtained chiefly for purposes of study.

As a result of higher oil prices and other factors, the government's foreign debt has been pushed up to today's total of 55 billion kronor.

The National Debt Office currently manages about 80 loans. As the foreign debt grows, so does the National Debt Office itself, which is also coming to occupy an increasingly central position in the debate over the recession.

The foreign borrowers at the National Debt Office--Lars Kalderen, Olle Norell, and Peter Engstrom--have become Sweden's most expensive globetrotters. They bring home 2 billion kronor in debt every month. On home ground, the work on agreements is handled by a special unit within the National Debt Office under Lars Andren.

Morgan Guaranty Given Responsibility

When the National Debt Commissioners decided that Sweden should take out a loan, a careful reconnoitering of the market began. How the loan should be worked out, what the terms should be, and when to go out after it were some of the questions asked. A number of major international banks very quickly appeared and announced their interest in being responsible for the loan. The greatest initiative was shown by the Morgan Guaranty Trust Company of New York, whose London office was considered to have "the best understanding of the market situation."

The responsibility for finding lenders now rested on Morgan Guaranty, which sent out three men who traveled around covering a couple of cities a day. In every country where several banks were interested in participating, a "coordination bank" was appointed to handle negotiations between Morgan Guaranty and the others. When a loan as big as this is involved, Swedish banks usually participate as well, and in this case the Scandinavian Private Bank represented the Swedes in negotiations with Morgan Guaranty. Japanese banks contributed 26 percent of the total amount of the loan, and their coordination bank was the Mitsubishi Bank.

Prospectus on Sweden

In February each bank was sent a 37-page prospectus dealing with the loan and with Sweden's business. There the curious bank officer could read about industry, the political structure, productivity, the balance of payments, and other things in "The Kingdom of Sweden."

The major portion of the loan was to be in dollars as a direct bank loan. The remaining portion was a loan consisting of special drawing rights (SDR's). At the beginning of this year, the IMF reduced the basket of currencies from 16 to 5: the franc, the pound, the dollar, the yen, and the Deutschmark. The result is a dollar loan based on a basket of five currencies, making it more secure against changes in exchange rates. Since this was the first time that SDR's had been tried on such a big scale, many banks were curious. The SDR portion of the loan had originally been set at a couple of hundred million dollars, but by the time the negotiations had ended, it amounted to \$500 million.

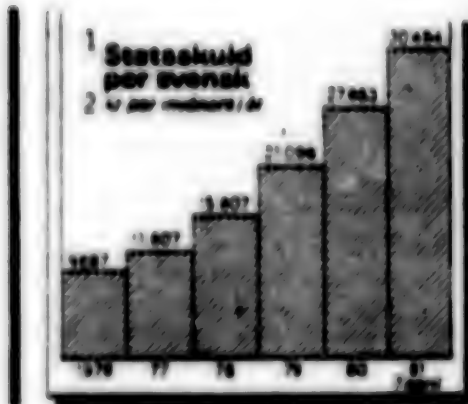
Money Already "Eaten Up"

Following negotiations on tenths and eighths of a percentage point in interest earnings and a final polishing up of details in the conditions, the loan was ready to be signed on 15 April. Five months of work had come to an end.

The Bank of Sweden is in charge of actually bringing the money home. The dollar loan must be in the country by the middle of July, and 45 days later the SDR portion of the loan is to be in Sweden. The Bank of Sweden will ask Morgan Guaranty by telex to deposit the money in an account--but not more than \$400 million at one time. In Sweden, the Bank of Sweden will then change the \$1.3 billion into kronor, which will then be transferred to the National Debt Office.

The National Debt Office will thus have gotten one more loan to manage, one that the Swedish people will have to pay back in installments and pay interest on.

This jumbo loan of 6.5 billion kronor required 5 months of work. During that time, Sweden's foreign debt increased by another 10 billion. What was that it said on the wall of Clothworkers Hall? "My trust is in God alone."



Key:

1. National debt per Swede
2. In kronor per capita per year
3. Foreign debt per Swede
4. Swedish burden of interest on foreign debt
5. Forecast

The Swede's Rising Burden of Debt

On 7 April of this year, each Swede owed the Treasury 30,494 kronor. Of that amount, each Swede's debt to foreign banks totaled 6,000 kronor. Today, including the jumbo loan, that burden of debt has increased by another 1,000 kronor. According to forecasts, the foreign debt, which now stands at about 55 billion kronor, will be up to 65 billion by the end of the year.

According to the Long-Term Planning Commission's "worst possible scenario"--that is, if things really go bad for Sweden--each Swede will owe 30,000 kronor to the foreign banks in 1981. According to that same worst possible scenario, each Swede will then be paying over 1,300 kronor in interest on foreign debt. That worst possible scenario is becoming more realistic every day.

Our foreign borrowing, which began with a sluggish 200 million in 1977, is accelerating at a rate that even an American space shuttle would find it hard to attain. And as long as the deficit balance on current account continues to grow, the Swede's burden of debt will also grow.

11790

CSO: 3109/176

GOVERNMENT CUTS IN SOCIAL PROGRAMS BECOME MAIN ISSUE

Stockholm SVENSKA DAGBLADET in Swedish 11 Apr 81 p 4

[Article by Per Sabroe]

[Text] One consequence of the Danish newspaper conflict is now apparent: the government has a more comfortable existence, the mistakes of its members arouse less criticism and negotiations in regard to taxes can be carried on without arousing great attention.

"The debate is handicapped," says political journalists.

"A newspaper strike is most pleasant for the government," says a politician from the opposition.

Two situations are usually used to illustrate the above.

Last week the Minister for Social Affairs, Ritt Bjerregaard, admitted an accounting mistake of half a billion Danish kroner which in her own words burdened the government. The mistake involved a new method of payment for day-care centers, based on a newly calculated social income which applies to the state's contributions to families. Because of the mistake the implementation of the system must be postponed a year.

Protest Does Not Materialize

On Wednesday morning it was revealed that the government had a political meeting with the three supporting parties: the Center Democrats, the Radicals and the Christian People's Party, about eliminating the right of private homeowners to deduct the real estate tax. Deduction is the "sacred cow" in Danish politics, but the expected storm of protest did not materialize. Only a few minor newspapers are being published, and AKTUELLT, which is social democratic and consequently not particularly critical towards the government of its own party.

Ritt Bjerregaard was forced to leave the government once before, after an outburst of public opinion caused by a hotel bill in Paris. She would not have avoided new disclosures and perhaps direct personal attacks if the press had been published.

Comfortable Strike

The Moderate Liberal representative Peter Brixtofte, who is both a member of parliament and a journalist, says:

"The newspaper strike is nice for the government. The radio and TV have taken up the case for Ritt Bjerregaard, but only for a few minutes. The newspapers have not been able to follow through with documentation which would make the debate stronger.

Lisbeth Knudsen, political correspondent on the BERLINGSKE TIDENDE which is not being published, says:

"Debate is being handicapped. People are not being informed that several agreements are being reached in regard to the economy so that it can hold together until the next regular election in 1983. The normal procedure in a political debate is lacking: first a statement in the newspapers, then a follow-up on the radio, followed by new references in the newspapers with further views on the same problem."

Other political journalists say that the elimination of the real estate deduction will be pushed through the parliament, while under normal circumstances strong pressure would be put on the three supporting parties through the public debate.

At the moment there are no contacts in the newspaper conflict between the typographers and the employers. Both sides say they can afford a long conflict. Before it broke out there was a debate on the fate of freedom of speech because of a lack of political news. During previous conflicts the publishers have accused the typographers of impeding the normal debate and informing the public, by going on strike.

Before the conflict the typographers maneuvered the publishers into forcing a lock-out of the technical personnel. Consequently, according to the typographers, it was "the publishers themselves who closed their own mouths in order to defend the freedom of speech." The reply from the publishers is that they were forced to shut down newspapers in order to be able to survive and later fight for the freedom of speech.

The conflict involves wages, new technology, and new lay-offs stemming from it. These are difficult negotiations which can take a month--when one actually begins to negotiate.

6893

CSO: 3109/153

STRIKE WAVE WIDENS: WAGE PACT THREATENED

Stockholm SVENSKA DAGBLADET in Swedish 12 Apr 81 p 13

[Article by Per Sabroe]

[Text] The meat packing workers will strike on 22 April. The elementary school teachers threaten a conflict. The social counselors yesterday boycotted their offices in six large Danish cities. Air traffic has been greatly reduced, among other things because of the conflict with the Danish air controllers.

Thus, there are labor conflicts in important but limited areas in Denmark. Large parts of the labor market and the public sector have reached peaceful agreements but others have rejected proposals for increased annual incomes.

Meat Packing Strike

On Friday 12,000 of the 17,000 meat packing workers rejected the new wage proposal. That will mean a strike in the meat packing plants throughout Denmark on 22 April if new discussions have not been started.

The Danish farmers sounded the alarm shortly after the result was made public. "The government must intervene since the situation of the farmers is already catastrophic," says J. O. Kjeldsen, chairman of the Agricultural Board. But the Danish Federation of Trade Unions has urged the government not to intervene because the government has not intervened in other isolated conflicts, such as that of the newspapers.

A strike in the meat packing plants will mean that the supply of meat to the Danes and for export will disappear. That means a monthly loss of 1 billion Danish kroner in foreign currency.

The elementary school teachers will hold their annual congress on 6 May. Their demand for overtime for so-called social work in the school has not been met, and it can lead to a vote on a conflict which can result in closing the schools.

Counselors Boycott

On Friday the social counselors started a boycott of social service in the municipal buildings in six large Danish towns. Even here it is a question of a conflict

over wages. The result will be a long waiting period for people who should get social allowances and counseling. Only a few employees are working in the offices.

Delay in Flights

The traffic controllers at the Danish airports are more sick over the holidays than usual, and the air association is angry over the delays and is pressuring the government to obtain a regular agreement with the controllers. The minister of communications has stated that there can not be any talk about an increase in wages. The Scandinavian Airlines System has made it known that the conflict is costing 1 million Danish kroner a day in lost income at the closed airports and for hotel bills for people who are waiting at Kastrup without air connections.

The Danish charter company, Sterling and Connair, is threatening to use Sturup outside Malmo, where big rebates are given to new charter traffic.

Finally, there is danger of a widespread strike of academicians on 1 May, which would include strikes and lockouts of teachers, lawyers and academicians in public administration as well as Continuation School teachers.

6893

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INTERNAL PARTY STRUGGLES WEAKEN KOIVISTO GOVERNMENT

Stockholm DAGENS NYHETER in Swedish 14 Apr 81 p 8

[Article by Tor Hognas]

[Text] The most recent crisis in Finnish politics which almost splintered Mauno Koivisto's center-left government can be regarded as the consequence of the strong antagonism between the parties--but above all within them.

A contributing factor was also the tension which surrounds the question of who will be Urho Kekkonen's successor as president. That question has been for a long time a warp in the political fabric. In connection with the crisis, the pattern became all the more clear.

The inner tension is greatest within the communist party, which has been divided for a long time into two factions which are fighting each other. Since the party is in the government, the minority communists are in opposition.

The Communist Party is studiously held together because the brother party in the Soviet Union does not permit a schism.

The Social Democrats, the largest party in the country, are having also some difficulties because of internal differences, although they are not as prominent. Distinct groups can be detected, on the one hand around the party leader Kalevi Sorsa, and on the other around prime minister Mauno Koivisto. In addition, there is a more radical left-wing group which previously played a greater role than it does today.

The Center Party, which changed leaders last summer when the youthful Paavo Vayrynen won out over the legendary Johannes Virolainen, whom Kekkonen dislikes, has marked internal problems.

Paavo Vayrynen is fully occupied as foreign minister and really does not have the time to handle field work adequately.

Out in the grass-roots of the Center Party, people are beginning to rely upon former party leader, the speaker of the Parliament, Johannes Virolainen, as a source of information. The result is that party districts which supported Vayrynen last year, now clearly back Virolainen. Virolainen is capable and has charm--some would like to see him as president.

On the other hand, the stock of Ahti Karjalainen has gone down recently, even if he has been long regarded as Kekkonen's "crown prince." At the moment Karjalainen is head of the national bank and is seldom seen in public political situations.

An obvious nervousness can be detected in the Center Party, despite the fact that the latest public opinion poll shows increased support. The increase is based primarily on the fact that the Communists are losing ground because of the events in Poland. The People's Democrats [SKDL--the Finnish People's Democratic League], particularly in the rural areas, regard the Center Party as an alternative.

The nervousness in the Center Party stems from the fact that the political and economic power structure which was built up around President Kekkonen is now strongly threatened. The people of Finland want Mauno Koivisto for president. And Koivisto is a Social Democrat.

The dilemma of the Center Party is now how to make secure the power position at different levels which was established when Kekkonen became president in 1956. An intense campaign is going on behind the scenes. Recently, the president's secretary Juhani Pertunen (Center Party) has been given a prominent position as some kind of an interpreter of Kekkonen's real views on different important questions (nasty critics draw a parallel with Mao's wife who also interpreted the old leader's views).

Reverses for the K-Men

The so-called K-line (Kekkonen-Karjalainen and others) within the Center Party has usually been successful in its politics. The Center Party has only 17.4 per cent of the voters but it has without doubt been the most influential party in the country. The K-men have pulled strings with great skill.

The first reverse came this winter when an attempt was made to shunt aside Johannes Virolainen from position of speaker of the parliament. The second big reverse was the attempt which occurred recently to break up the government in order to get rid of Koivisto.

Despite strong support from some Social Democrats, it was a fiasco since Prime Minister Koivisto, to everyone's complete surprise, refused to let the government resign since it has the confidence of the parliament.

Koivisto became a popular hero and the government survived the crisis.

Public opinion polls show that the Koivisto government is popular, despite the fact that one crisis has followed another. Koivisto himself is in the habit of saying that his government has a "low profile." By that he means that a government with such strong inherent tensions can not pursue as vigorous policy as a more homogeneously knit cabinet.

Koivisto has allowed the ministers to discuss matters. Decisions have often been postponed, and he has been accused of being indecisive and uncertain. Kekkonen

thought that he "was drifting." Sometimes Koivisto would take a walk in the middle of a meeting and let the members of the cabinet quarrel as much as they wanted.

Philosophy Is Annoying

Koivisto is slightly philosophical--something which annoys pragmatic politicians who don't always understand what he means.

Perhaps the citizens also don't understand either what he says on TV, but his charisma and the certainty that Koivisto is an honorable man are sufficient. Koivisto has never enriched himself at the cost of others or accepted fine presents like some politicians have done, the man in the street says.

Some think that hardly any other prime minister could have succeeded in uniting opposing wills in making an agreement which took the shape of an overall economic solution in which agriculture and the state also participated. The agreement provides for a degree of stability for the 2 years ahead.

"Stop Gossiping"

But the government's share in the agreement in the form of a social law package is not yet approved. The Communists want to change some of the provisions. The compromise which saved the government was to let the parliament decide the question.

Press comments on the solution of the crisis have been cautiously optimistic. It is believed that the government will manage for a while, but a pension reform can be difficult, as well as making up a proposed budget for next year. It is question of coping with a deficit which some people think will amount to 8 billion Finnish marks.

HELSINGIN SANOMAT wrote that in the future one should not involve the president in the probable internal contest of the presidential candidates. The president's peace and quiet should be safeguarded. The parties should instead utilize the possibilities which the parliamentary system offers.

In plain language: stop running to Kekkonen with gossip.

6893

CSO: 3109/153

PRESIDENTIAL RACE 'GAME' SEEN HARMING KEKKONEN'S AUTHORITY

Helsinki HUFVUDSTADSBLADET in Swedish 28 Apr 81 p 2

[Editorial by Jan-Magnus Jansson]

[Text] The Center Party delegation meeting in Uleaborg was concerned about the tendencies in the current debate which is regarded as being directed against President Kekkonen. Jan-Magnus Jansson gives an analysis of the debate and its background.

At the meeting of the Center Party delegation in Uleaborg there seemed to be a genuine concern that President Kekkonen's personal authority had been somewhat eroded by recent expressions of opinion. The concern was shared by both rank and file members and party leaders.

Warnings against a growing anti-Kekkonen mood have been sounded in other quarters too, from member of parliament Jacob Soderman among others. The same thing was expressed from a different angle by SUOMEN KUVALEHTI in an unusual editorial on 16 April entitled "The Dams are Bursting." The paper called the treatment President Kekkonen received in some of the media in connection with the Koivisto crisis "excessive and tragic," but added that "this is something that happens inevitably to every victor whose time is past."

The matter is serious and there is no reason to avoid it. Let us start by noting that the tendency of the time is antiauthoritarian and it is hard to maintain the authority of people or issues by building dams, constructing walls or creating any kind of distance.

But before we go into the concrete issue involved here we should make a careful distinction between Urho Kekkonen as current chief of state and as possible future presidential candidate. As the current president Kekkonen has a right to count on loyal support across party lines for his activities. When the Center Party calls for support for the president in "his demanding work in guiding Finland's foreign policy" others should also be able to join in. Under any circumstances almost 3 years remain of Kekkonen's current term of office. There is nothing to indicate that the international situation will be simple and untroubled during

this time. Thus in many situations to come the president as leader of our foreign policy will need all the support he can get from his people.

It is also reasonable to feel respect for the long lifework Kekkonen has performed as the head of our country. The details need not be repeated here. Nor is it necessary to prohibit criticism of the Kekkonen era. But it is natural to hope that his time as president will elapse in the same atmosphere of harmony and respect as his predecessor's did.

There is no reason therefore to encourage further expressions of old grudges against Kekkonen's personality and policies if they try to surface again. But it is undoubtedly true as Vayrynen among others pointed out at the Center meeting that criticism--all the way from objective efforts to indicate the direction Finland should take after the Kekkonen epoch to pure pinpricks--is also coming from sources traditionally positive toward Kekkonen as a person. There is good reason to try and find out why this is so.

One reason undoubtedly lies in the uncertainty surrounding the role Kekkonen is playing in the so-called presidential race game. While a chief of state can demand the respect called for by his office the selection of a new president is of course a matter that must be evaluated on the basis of political suitability. In such a situation it is hard to avoid having the current president get some lumps in the infighting prior to the next election. When--just to mention one example among many--a popular magazine reports that 65 percent of those asked in a survey named Mauno Koivisto as a good candidate in the next election while only 33 percent named Urho Kekkonen the comparison seems extremely inappropriate since the two men are in a manner of speaking fighting in different classes. But since we don't know if the president will be a candidate in 1984 it is hard to dismiss such surveys entirely.

We think therefore that within a reasonable period of time a clarification of the president's relation to the 1984 election would be a decisive factor in preventing a continued erosion of his authority. If it is made plain that the president is not taking part in the "presidential race" either as a candidate or as the backer of other candidates but that he is staying outside and above it it would not take long before the minor occurrences now troubling so many people subside and resume their true proportions.

If it appears that the president will run in the next election or beyond that would also create a kind of clarity. How one reacts to such a possibility is a matter of political judgment. Our attitude toward the 1984 election has been stated earlier but that does not prevent us from being able to respect a different attitude if it is presented in a straightforward manner. Alternative number one for the Center Party continues to be having Urho Kekkonen continue after the 1984 election if possible and of course the party is fully entitled to take that position.

Another factor that has muddled the waters of the president's position especially in the recent discussion is the charge that he is unduly influenced by the information he receives from a few "messengers," especially perhaps from the Center Party. Some papers have also named names in this context.

Such criticism is hard to refute of course except by practical actions. It is natural that the president no longer gathers people around him as he did in the 1960's. But it is also clear that people from different groups could be more actively encouraged to present their views to the chief of state. In the past year there have been complaints several times in the pages of the daily press that the president is too isolated and that press contacts have been cut to a minimum. Which is certainly a shame since Kekkonen used to be known as God's gift to the interviewer. Perhaps the proposal for fireside chats a la Roosevelt would be more appropriately transferred to the next president but maybe something could be done to meet press needs for contact.

The Center Party's complaints about the opinion situation provide a natural point of departure for these reflections on events on very different levels. We believe an open discussion is in order here.

6578

CSO: 3109/184

CP LEADERSHIP FAILS TO MITIGATE FEUD BEFORE CONGRESS

Party Leader's Warning

Helsinki UUSI SUOMI in Finnish 27 Apr 81 p 3

[Article: "Majority Ranks Now Cracking"]

[Text] Chairman Aarno Aitamurto (People's Democrat) of the Construction Workers Union is awaiting greater activity on the part of SKP [Finnish Communist Party] Chairman Aarne Saarinen in the preparations for the SKP's forthcoming congress. Aitamurto, who spoke on Sunday at a district meeting of the SKP's Tampere District, considered that the preparations for the party congress have not progressed in the desired manner with respect to organizational questions in particular. The confusing situation has in his opinion brought about the fact that the party rank and file has warned against advance agreements which would secure the division of the party.

In Aitamurto's opinion the work of the party cannot be continued by the behavior of the two factions. Unless unanimity is reached in organizational matters at the forthcoming party congress, we must be prepared to resolve issues by a vote, stated Aitamurto. However, he noted that positions must not necessarily follow traditional party divisions in a vote.

At a time then the rightwing is advancing in industrialized capitalist countries, communists will not be able to stop the rightwing's advance and their own regression if they remain divided, stated Aitamurto. He noted that we now need an effective people's democratic movement, in which a unified, class-conscious Communist Party plays a central role.

In his speech Aitamurto rejected the view that a third line is being formed in the SKP. Two factions are too many, a third must not be created under any pretext, he stated.

Unification Hopes Frustrated

Helsinki UUSI SUOMI in Finnish 28 Apr 81 p 2

[Editorial: "Finnish Communist Party's Policy Lines"]

[Text] Preparations for the SKP Congress have not progressed in the usual manner. A little less than a month is left before the congress and no decision has yet been made on the personnel selections and issues to be decided upon at the congress.

The congress has been preceded by an exceptionally extensive and open discussion. Its clear goal has been the sincere desire on the part of the rank and file to bring an end to internal conflicts. The membership would without a doubt be prepared to sacrifice much in order to achieve unanimity or reduce their differences.

It has been predicted that the congress will be divided and perhaps will even adopt a change of direction. Both the majority and the minority in the party will be normalized. The only problem is that both factions understand this term in different ways.

The accomplishment of internal mutual understanding will not be easy if it is even possible. It would mean a step to the left, perhaps even two, for the majority. The party's problem, however, is not a more radical communism since a stricter line may open up an even deeper chasm between the Communist Party and the SKDL (Finnish Peoples Democratic League). Indeed, the SKDL has demonstrated a definite attempt to achieve a softer, more humane socialism, to which communist participation in the government would be especially suitable.

Saarinén's predicted "violent" solution at the congress will hardly occur unless the party's negotiating committee receives some kind of understanding for it at the negotiations being currently conducted in Moscow.

When the Finnish Communists returned from the CPSU Congress in Moscow, they were given the hope that they would also be able to organize just as an agreeable and harmonious congress in Finland. Even though those providing this hope, in fact, have doubts about its accomplishments.

If negotiations result in a dead end or unresolved situation, the road may be opened for Construction Workers Union Chairman Aarno Aitamurto, whose moderately critical speech over the weekend could even be considered as the policy speech of a new chairman.

10576

CSO: 3107/84

CP LEADERS VISIT MOSCOW AS PARTY PREPARES FOR CONGRESS

Attack Foreign Policy Views

Helsinki HELSINGIN SANOMAT in Finnish 24 Apr 81 p 14

[Article: "Taistoites Accuse Korhonen and Jakobson in Diet"]

[Text] A continuous struggle over Finland's foreign policy line is being waged. An attempt is being made to change its course to the right and to the West. This becomes particularly evident in the attempt to reinterpret the YYA [Friendship, Cooperation, and Mutual Aid] Agreement.

Accusations of this type were made by Taistoite MP's on Thursday evening in the Diet's discussion of the government's report for the year 1979. Assistant State Secretary Keijo Korhonen (Center Party) and Managing Director Max Jakobson, whose activities were seen as a part of the heated presidential game, were made out to be the biggest scapegoats.

Taistoites Seppo Toiviainen and Ensio Laine, who hope that Finland will take the initiative in continuing the effective period of the YYA Agreement, expressed concern about Finland's foreign policy line.

According to Toiviainen in Finland "another reality," which is represented by "certain officials and influential people," prevails in the area of foreign policy.

Toiviainen expressed amazement at the peculiar sociobiological discussion, the background of which is in his opinion the propagation of a national selfishness. An attempt is being made to degrade the YYA Agreement as much as possible and to give the impression that negotiations concerning Soviet military aid will only become possible when Finland becomes an actual battlefield, stated Toiviainen.

He mentioned by name Assistant State Secretary Keijo Korhonen of the Foreign Ministry as well as Managing Director Max Jakobson of the Commission on Commerce and Industry.

Toiviainen pointed out that Korhonen was given a word of thanks for his attempt to change the foreign policy line from SUOMEN KIVALENTI's Mikko Pohtola. Ilkka Kanerva (Conservative Party) shouted in between "approval from Mikko Pohtola."

"Presidential Game in the Background"

Continuing along the same lines was Ennio Laine, who pointed out that the YYA Agreement between Finland and the Soviet Union and the foreign policy carried out on its basis continue to be a matter of political struggle. According to Laine, Jakobson's interpretation presented during the discussion points to an attempt to find a certain kind of new direction for Finland's foreign policy.

Laine noted that many factions took an oath in President Kekkonen's name and stated that they would support this foreign policy. However, according to him as the presidential game accelerates these beautiful assurances have become cast in a strange light.

Laine referred to the more or less disguised statement in which demands have been made that there be a change in international commitments including the YYA Agreement and even that this agreement be rescinded. Such opinions are being fed by Jakobson's book, among other things, accused Laine.

He saw some other disturbing signs about reevaluation and the changing of the position of the YYA Agreement. They are aimed at a change of direction for which an atmosphere is being created in this period before the presidential elections.

In conclusion Laine expressed a hope that Finland would take the initiative in continuing the effective period of the YYA Agreement so that fruitless speculation would be brought to an end.

Central Committee Decision

Helsinki HELSINGIN SANOMAT in Finnish 25 Apr 81 p 9

[Article by Jorma Korhonen: "Finnish Communist Party Allows Free Reign to Congress"]

[Text] On Friday the Central Committee of the Finnish Communist Party nailed down a decision concerning the forthcoming congress, according to which the party's majority and minority policy lines will preclude the conclusion of an advance policy agreement.

The Central Committee stated that this party discussion has made public the membership's desire for the accomplishment of real party unity. An aggravated situation and preparations for the party congress on the basis of factionalism must be avoided, stated the Central Committee. In its opinion only in this way can an open and comradely atmosphere be created for the party congress.

The party's minority wanted an agreement to be reached on the membership of the Central Committee and the Politburo prior to the congress in May. This was the procedure in the 1970's. Now the majority intends to block this procedure, perhaps even permit elections on the leading positions in the party. At the Central Committee meeting that concluded on Friday no vote was taken even though Urho Jokinen -- one of the minority leaders -- attempted to bring about a decision which would presuppose a political agreement. The attempt fell on deaf ears.

With respect to the preparations for the state budget the Central Committee stated that there have been pressures which are not unlike the pressures in the rightwing conservative economies of the United States, England, and Sweden. In the opinion

of the Communists the Finance Ministry is proposing Reaganism, the application of which cannot be approved for Finland.

The Game Becomes More Difficult

The closer the 19th Congress of the Finnish Communist Party, the more difficult and hard-gripping the game becomes within the Talstoite and Saarinenite factions.

Radio Editor Esko Seppanen, among others, has experienced the intensity of the game. He was elected from Helsinki to the congress by a very large vote. This in itself aroused doubts about Seppanen's trustworthiness. Osmo Kirkkola of the Construction Workers Union, who was supported by Pertti Asikainen, placed Seppanen's trustworthiness in question in the majority faction of the Helsinki representatives to the congress. The force in the background behind them is the so-called Bjorkbacka faction that has been created within the SKP [Finnish Communist Party] majority.

There were doubts expressed about Seppanen and at the meeting he was accused of fraternizing with the minority. The number of votes for Seppanen indicated that the minority had also voted for him. At the meeting Seppanen was confirmed as "trustworthy" to represent the groups at the party congress only after a vote.

The new Bjorkbacka grouping in Saarinen's faction is promoting Information Chief Oiva Bjorkbacka as the party's second vice chairman over Olavi Hanninen. It is argued that the information chief is looking into the more distant future to succeed Aarne Saarinen as chairman.

In this struggle Oiva Bjorkbacka is representing the so-called pure majority, which will not agree to bring unity to the party except by crushing the Sinisalo faction. The consequence of this goal is an aggravation of the factional strife.

The minority faction is also asking who can and cannot be trusted. Second Secretary Pentti Erkkila of the Rural Workers Union was dropped from the list already during the nomination phase. The reasons were similar to those in Seppanen's case: fraternization with the other faction, this time the majority, and an occasional refusal to carry out the strict policy line of Markus Kainulainen, who holds sway in the Uusimaa District.

Kainulainen also does not care for the recognition given to MP Seppo Toiviainen by Erkkila. It is considered that Toiviainen has a significant future in an SKP with restored unity.

The strictest lines with the purest doctrines of both the majority and the minority have thus found a common enemy: those who are sincerely promoting the healing of the party. If these two groupings should indeed find each other, the healing of the party will remain an illusion. The factions would divide up the leadership positions among themselves and the internal conflict would continue.

However, at the same time the SKP is anxiously awaiting to see what the party's northern districts will accomplish together. If the majority factions in the districts of Lapland, Oulu, Kainuu, Jyväskylä, Pietarsaari, and Vaasa develop a joint

policy line and a common tactic, they will determine the final policy lines for the 19th Congress.

Saarinen Visits Moscow

Helsinki HELSINGIN SANOMAT in Finnish 28 Apr 81 p 6

[Article by Pentti Suominen: "Saarinen Expresses Solidarity with Polish Communists"]

[Text] On Monday in Moscow Finnish Communist Party Chairman Aarne Saarinen told Politburo Member Mikhail Suslov, who is considered to be the chief ideologist of the CPSU, that the Polish Communists will in time be able to normalize the situation in their country.

On Monday a delegation of the Finnish Communist Party led by Saarinen began 2-day negotiations with a Soviet party delegation led by Suslov.

The most important subjects concerning the negotiation were the 19th Congress of the Finnish Communist Party to be held next month and the internal differences in the Finnish Communist Party.

One of the members of the Finnish delegation stated that in Monday's negotiations Saarinen presented the Finnish party's view of the international situation as well as the situation in Finnish society and in the Finnish Communist Party.

International Affairs Secretary Olavi Poikolainen of the Central Committee, who is a member of the Finnish delegation, stated that Saarinen declared the solidarity of Finnish Communists with their Polish comrades.

He also stated that he believes that the Polish United Workers Party will be able to normalize the situation in Poland although this will take some time.

Suslov, the leader of the Soviet delegation, returned from Poland last Friday where he apparently did not succeed in his attempts to persuade Polish Communist leaders to give up new party reforms.

CPSU Greetings Today

In addition to Saarinen and Poikolainen, the Finnish delegation is composed of Vice Chairman Taisto Sinisalo, First Secretary Arvo Aalto, and Politburo Member Urho Jokinen, who is also the chief editor of TIEDONANTAJA.

In addition to Suslov, the Soviet delegation is made up of Mikhail Zimyanin candidate member of the Politburo and Secretary of the Central Committee, and Vitali Shapashnikov, deputy director of the International Department of the Central Committee.

Poikolainen stated that the Soviet side was satisfied primarily with inquiring about and listening to Finnish opinions.

He expects that the Soviets will present their own views on Tuesday, when the negotiations continue.

It is anticipated that the Soviets will express an interest in the problems connected with the division in the Finnish Communist Party, problems which should be resolved at the May Congress.

PRAVDA Concerned about Unity

Over the current spring PRAVDA, the chief organ of the Soviet Communist Party, has published a couple articles in which it has clearly expressed its concern for the division in the Finnish Communist Party and its hopes for a greater unity.

In February PRAVDA stated that: "One becomes convinced of the work of reactionary circles aimed at dividing the Communist Party in two when one reads through five or six rightwing periodicals or newspapers".

According to PRAVDA "the members and supporters of the Finnish Communist Party are giving particular attention to party unity".

In an article published a week ago, PRAVDA stated that Finland's Communists are directing their attention toward unity.

It also stated that Finnish Communists are also directing their attention to "the decision of the 18th Congress concerning the establishment of a single party newspaper since the party does not in fact have a joint chief organ."

Talks with Suslov

Helsinki HELSINGIN SANOMAT in Finnish 29 Apr 81 p 10

[Article by Pentti Suominen: "Communists' Negotiations Conclude in Moscow"]

[Text] Negotiations between the Finnish and Soviet communist parties concluded on Tuesday in Moscow, there was no immediate information on the details of the negotiations.

At the negotiations on Tuesday the leader of the Soviet delegation, chief ideologist Mikhail Suslov of the Soviet Communist Party, related the Soviet views of the issues that were discussed at the negotiations, stated one of the members of the Finnish delegation.

On Monday the leader of the Finnish delegation, Chairman Aarne Saarinen, presented the views of Finnish Communists on the international situation, Finland's social and political situation and on the situation in the Finnish Communist Party.

He also stated that Finnish Communists believe that the Polish United Workers Party will be able to normalize the situation in Poland, but that it will take time.

According to certain sources the Finnish and Soviet parties expressed unanimity with respect to the Polish question, but there was no immediate confirmation of this.

CPSU Invited to Finnish Party Congress

Before the negotiations commenced it was anticipated that the most important subjects would be the congress of the Finnish Communist Party to be held next month, as well as the division in the Finnish Communist Party.

Irina Lindeberg, who accompanied the Finnish delegation to Moscow, stated, however, that Suslov would not concern himself on Tuesday with the situation that has aroused concern here in the Finnish Communist Party.

She gave one to understand that the negotiations which lasted for a couple hours on Tuesday were of a relatively general nature and that Suslov did not present any points requiring special emphasis.

As far as the Finnish Communist Party Congress is concerned, Lindeberg stated that the Finns presented an invitation to the Soviet side to attend the congress and Suslov according to her expressed hope of success for the Finnish Communist Party meeting.

An official communique of the meeting is expected on Wednesday.

In addition to Saarinen, the Finnish delegation was composed of Vice Chairman Taisto Sinisalo, First Secretary Arvo Aalto as well as Politburo member Olavi Poikolainen and Urho Jokinen.

In addition to Suslov, the Soviet delegation was made up of Politburo Candidate Member and International Committee Secretary Boris Ponomarev, Central Committee Secretary Mikhail Zimyanin, and Deputy Director of the International Department of the Central Committee Vitali Shapashnikov.

10576

CSO: 3107/83

GOVERNMENT'S CONTINUED WEAKNESS SEEN AS DUE TO KOIVISTO CONFUSION

Helsinki HUFVUDSTADSBLADET in Swedish 29 Apr 81 p 2

[Editorial by Henrik von Bonsdorff]

[Text] The government policy volleyball game involving the income policy social package--and the existence of the Koivisto cabinet--took on farcical overtones again this week. The labor market factions clung to the Pekkanen agreement in its original form. And the government parties showed in the overall budget and policy debate yesterday among other things how fluid the situation really is within the coalition. "The time has come for parliament to put its foot down," writes Henrik von Bonsdorff.

We have not yet come to the end of the ongoing marathon match of government policy volleyball. Prime Minister Koivisto who is an ardent fan and player of this sport delivered a magnificent smash to the opponents' side a few weeks ago that seemed to give him a chance to continue the match--and perhaps even bring it to a successful conclusion. But on Monday the ball was returned and at the moment everything is up in the air again with the outcome as uncertain as it was when the game started.

As everyone knows the fight is theoretically over the social package that formed an essential part of the Pekkanen income policy agreement which in this context has served as a model for peaceful solutions in almost the entire labor market. On a deeper level it was understood that Koivisto's score and the existence of his government were hanging in the balance.

Thus in reality two games are involved, one within the other or on different levels, depending on how you want to put it. And the prime minister's problem all along has been not knowing who was playing on his side and who was opposing him in the various phases of the game.

Normally the matter would not have been particularly complicated. Labor organizations endorsed the income policy proposal that came out this year under the name of Matti Pekkanen.

Some did so willingly, others under protest or after some delay but everyone expected that all sides would approve the contract. And one of these elements was the government whose promised contribution--primarily the social package--required legislation and thus the assistance of parliament. But since the government has an official majority in parliament great concern on this point would not have been reasonable.

Unfortunately Koivisto had not made sure in advance that he had the loyal support of his own government colleagues. This proved to have been an error. The communists let their team captain down and demanded changes in his game plan. It could have been pushed through anyway with a majority resolution and at worst with the help of outside forces--in this case elements of the parliamentary opposition. But that would have shown up the government team's inability to play together and run the risk of breaking it up.

The weaknesses were overcome temporarily with the prime minister's Easter compromise. The bill was sent to parliament about 2 weeks ago in the form indicated in Pekkanen's papers. The price was a promise that any amendments would be discussed by a committee of government representatives and delegates from labor market organizations after which any changes would be made during the parliamentary debate on the issue.

But before this promise could be put into practice the prime minister took soundings of the mood in labor organizations. And the results of these soundings which Matti Pekkanen presented Monday were that these organizations demanded unanimously the approval of the controversial laws in the form agreed upon again this year. Revisions of the text could be discussed later and carried out when the time is ripe.

In a way this reaction is understandable. For the labor market organizations it is a question of the credibility of the agreement. If one enters into an agreement one should also be able to count on having it upheld. There are all too many violations of this excellent principle as it is. But if one can't even rely on a commitment from the state....

The matter looks somewhat different from a legislator's point of view. During the long period of total solutions parliament has viewed with mounting irritation the labor factions "encroaching" on its sole right to determine the laws of the land. However, majority governments enjoying internal unanimity and having control over their parliamentary groups can have things the way they want them, also in parliament. And there is nothing wrong with that.

But this kind of homogeneous and determined government is not precisely what we have now. This emerges once more from the private policies of a number of Center members of parliament on the disputed issues here. In spite of an official government resolution that the coalition parties will refrain from making parallel motions and other solo moves in anticipation of the future task force's amendment proposals these three mavericks produced their own finished version of the text which they also defended in the budget debate yesterday to the accompaniment of criticism of the government bill. Their behavior is all the more remarkable since

both party chairman Vayrynen and group chairman Ruokola during the weekend meeting of the rank and file delegation expressed complete ignorance of their comrades' initiative and promised to support the line the government finds it possible to unite on sometime in the future.

During the debate the Center defectors found out where they could expect support from both Social Democratic and DFFF [Finnish People's Democratic League] sources. The government parties clearly revealed the complete fluidity of the situation within the coalition at the present time. Mauno Koivisto unofficially suggested minor adjustments in the laws at this point and a more thorough revision at a later date--an obvious attempt to give a little both to the communists who want sweeping reforms and to the labor market organizations that support an intact Pekkanen version this spring. But this was immediately rejected by the spokesman for the People's Democratic group.

The entire spectacle is undeniably taking on farcical overtones. Isn't this a golden opportunity for parliament to take the matter into its own hands and show who is in charge?

6578

CSO: 3109/184

SYMPTOMS OF 'DEFREEZE' BETWEEN PCI, PSI NOTED

Rome RINASCITA in Italian 17 Apr 81 pp 3-4

[Article by Gerardo Chiaromonte: "Government and Governability: Let Us Talk With the PSI"]

[Text] The reference in the Theses to democratic planning is significant in the context of the debate within the Left. On some points, and in some areas, a consensus is possible. The judgments with respect to the crisis, the transformation of the nation and the role of the trade union are not persuasive. The PSI [Italian Socialist Party] cannot remain wedded to its defense of the present government and to its demand for a future prime ministership.

On the eve of the Palermo congress of the PSI and in the midst of dramatic events in the area of economics and in the area of relations between the political parties and the labor movement, it is useful to develop a few thoughts concerning points V, VI and VII of the Theses for the 42nd Congress of the PSI, which are respectively entitled: "A new method of managing the economy, with development, efficiency, security and social equality as the objectives"; "Place the system of social reforms on a sound basis, and intensify the struggle against the old and the new poverties"; and "A trade union movement that will play a responsible and leading role in the management of the economy, in the labor market, in making the decisions of private enterprise, and in regulating the rights and obligations of the workers."

One is impressed first of all--with regard to some of the major proposals in the area of economics--by the substantial convergence of certain positions with those which we communists have been advocating. This is not true in all areas, of course: in the case of energy, for example, we cannot help but note a great deal of ambiguity in the PSI statements, which have difficulty concealing a distinctly antinuclear bias. The indecision of the PSI during all these years with respect to energy policy is well known, and energy policy is certainly a question of decisive importance. Even this specific position on energy, however, is perhaps linked to a more general problem of analysis and evaluation of the Italian situation and to the prospects for economic development which--it is hoped--will be opened up for our country. We shall return later to this general problem, which is linked to other points in the argument advanced by the socialist Theses--points which leave us either perplexed or in disagreement. I must repeat, however, that I believe there are good prospects for a convergence between our positions and those of the PSI in the area of economic policy.

Here is just one example, but it relates to a subject of great importance: to the manner in which the problem of democratic planning is handled. At this time--a time when the very concept of planning (that is to say, the concept of a conscious and public-oriented management of development) is in crisis, and when both in Italy and abroad this vision of the future is under attack not only by conservative circles and the "neo-free traders" but also by democratic and leftist individuals and groups--the fact that a party such as the PSI is reaffirming its intention to fight for democratic planning of the development of the Italian economy and Italian society is, I believe, of no small importance. There has been, and is, much discussion as to how significant it is today (or whether it is still possible) for a political movement to proclaim itself as being "of the Left." (This discussion was participated in--with affirmations which I regard as very debatable from a general standpoint and as mistaken and dangerous from a short-term political standpoint--by certain comrades in the PSI top leadership.) Indeed, it appears to me that the political attitude toward the concept of planning--that is to say, the concept of the possibility (and the will to fight to convert the possibility into reality) of regulating economic and social policy democratically with the aim of achieving economic development and transforming society--can be regarded as a decisive criterion today for determining whether a political movement should be characterized as being "of the Left."

Convergences, and analogies, with our positions can be found, I believe, in many other points as well. For example, the views expressed concerning current problems with respect to a "Southern" policy, the social reforms, the "old and new poverties" and so forth are, in my opinion, of interest even though they may be debatable. I therefore believe there are vast possibilities for reaching--between the two parties and on points that are also important--an agreement for joint action. I repeat: on important points, in view of the fact that for a number of obvious reasons I do not believe the conditions today exist for consideration of a "common program" among the PCI [Italian Communist Party], PSI and other forces of the Left. I believe it to be of considerable political importance, however, to seek agreements and consensuses on important programmatic points (both concerning the economy and concerning the operation--and reform--of the institutions). Indeed, I believe it would be useful to enter into systematic talks with the PSI, even--for example--concerning the "economic and social program and the program for reform of the institutions" for which we as communists have been working for some weeks.

Nevertheless, when I had finished reading these three paragraphs of the Theses (here, however, the discourse might perhaps be extended to the entire socialist document) I could not avoid a feeling of profound overall political and cultural dissatisfaction. What is the cause of this dissatisfaction, as regards both the economic part and the trade union part of the Theses?

In the part that deals with economic policy, what you have is a continuing polemic ostensibly against "catastrophism" but in reality The judgment made with respect to the Italian situation appears to us . . . fundamentally optimistic. What we are dealing with here, we believe, is something which is profound and political in nature. It is in this judgment--rather than in other aspects which are by their nature always debatable--that we will find one of the causes of the crisis afflicting the policy of democratic solidarity and the option followed in recent years by the socialist comrade (the option, let us hasten to explain, that goes under the name of "governability"). The crisis with respect to the policy of

democratic solidarity undoubtedly derives, first and foremost, from the opposition--and democratic irresponsibility--of the DC [Christian Democratic Party]. It also derives from the inadequacy of programs: there were errors on our part, and we have discussed them at length and continue to discuss them. I believe there can be no doubt, however, that one of the principal causes of the crisis was the fact that many (including the current leadership group of the PSI) regarded the emergency phase through which the Italian economy, society and politics had passed as objectively closed, and believed that the "governability" of the nation would henceforth be easy to ensure by other methods. Moreover, comrades Lombardi, Signorile, Cicchitto, Covatta, Guarraci, Ruffolo and Spini pointed out (in their statement published in the 30 March 1981 issue of AVANTI!) that "the position presented by the majority of the CC [Central Committee] was based on two elements under analysis, the first of which involved a substantially optimistic evaluation of the economic situation based on the large increases in production recorded in 1980, and the second, the existence of a new Right--a technocratic and efficiency-oriented Right."

We repeat: it is not merely a question of an incorrect evaluation of the actual economic and social situation of the nation, nor is it merely a question of the political element of which we earlier spoke. There is something of a more profound and serious nature involved, and we too are discussing it in the process of elaborating our "platform." The central question is, I believe, the nation's prospects, the type of development of its economy, and its democratic system. What is Italy's destiny? Whither are we going? Is it possible to transform the existing type of development? Or must we resign ourselves and register our acceptance not only of vested interests but also of confirmed habits, recognized "values" and widespread selfishness? Any political party of the Left which desires to play a role in governing the nation must give an answer to these questions that is based on a correct analysis and evaluation of the situation.

It would be quite simple to establish the fact that the economic and financial situation in which we find ourselves today demonstrates the extreme fragility of the foundations on which the optimism criticized by the comrades of the socialist Left was based. We cannot stop at this, however. To surmount the crisis in Italian society (here I am speaking of the social fragmentation of which even the PSI Theses speak and which is partly the result of inflation, and this crisis must be surmounted before any policy of democratic socialist progress can be developed), the fight against inflation--although it is indispensable--will not suffice. It is necessary to strive to overcome the contradictions existing among the people and the elements of pathological strife (the product of the fragmentation); that is to say, it is necessary for the progressive parties to succeed in bringing about a mass awareness of the prospects for new national development within the framework of a broader European and world interchange of ideas. Italy can, and must, become a great modern industrial nation--one that is able to resolve its internal problems (first and foremost, the Southern question) and to exercise the political function of aiding the developing peoples in the context of a new international economic and political order. Italy can however become something quite different. A destiny of decadence does not exclude the possibility--for a certain period that could even become a long period--of high profits, high consumption, and standards of living based in part on the waste and the values induced by a consumption-oriented economy. The question is not one of moralism: when we gave the impression, in the past, that we were imparting to our proposal for austerity a certain character that was of a

specifically moralistic type, or even an ascetic type, we made a mistake and we have paid the price for our mistake. The problem (for Italy, but also for the other countries of Western Europe) is--to cite a statement by Giorgio Ruffolo--one of a new type of development to be sure but one based on moderation, that is to say, the problem of developing a new quality of life, of new values, of loftier and more just human relations. Becoming an advanced, modern industrial nation with a high scientific and technological content involves certain choices in respect to economic policy that pertain to reconversion of the machinery of production, to energy and to urban-rural relations. On the other hand, one can in this connection continue to be satisfied with gradually plugging the worst leaks and muddling along without basically changing the type, the methods or the objectives of development.

I understand the objection that is raised: the PSI in due course elaborated a "plan" of its own, and it is necessary to refer back to it. Leaving out of consideration the fate that befell (in the course of the successive vicissitudes of the PSI policy) the Turin congress which approved the "plan," we find however that the objection does not stand up. This is because the entire argument of the Theses (which however does contain--we repeat--many good elements that can be shared) lacks this political and idealistic inspiration and appears (because it is based on a mistaken analysis of the situation) to be patterned after a small-scale commercial operation in which even the positive indications appear destined to miscarry, as for example those concerning democratic planning.

The "thesis" concerning the trade unions appears to me to be a particularly narrow one from the standpoint of its analysis of the situation. The impression is given, when one reads the Theses, that the difficulties of which we are all aware--the difficulties with which the trade union movement and the process of trade union unity and autonomy are struggling--do not exist. A political party such as the PSI--which boasts that it has a presence in all three confederations but which is certainly an essential part, both historically and politically, of the CGIL [Italian General Confederation of Labor]--cannot, in my opinion, escape the problems and difficulties of today. Moreover, the reaffirmation of the importance of trade union autonomy is substantiated by the facts. There have been in recent months at least two vigorous attempts to move the bulk of the trade union movement toward the logic of the government and the majority: the 0.5 percent affair of last July and the orchestrated maneuver of recent days with respect to the escalator clause. The PSI, to be sure, was not the principal author of these efforts, which were inspired basically by certain groups within the CISL [Italian Confederation of Labor Unions]. The respect for autonomy is measured in terms of concrete action, and we believe that the socialist comrades should be completely honest with themselves on this point. It will likewise be recalled that even in the days of the "democratic solidarity" majority the polemic against Luciano Lama within the union was motivated (I believe) not so much by trade union considerations as--first and foremost--by political considerations.

Are we communists immune to the commission of any sins in this area? I think not. We stand ready to discuss this matter openly. The important thing, however, is not to hide behind words and to stick to the facts. It is even more important to agree on the course that must be followed in order to help the trade union movement surmount the current difficulties. Moreover, we believe the main course to follow is the consistent development of trade union democracy. The discussion among ourselves should also center on the function which we want the trade union to

perform in Italian democratic society. Here, however, the socialist Theses depict a scene that to us is not convincing. To be sure, the trade union movement should assume an increasingly large measure of responsibility in connection with democratic planning and also in connection with the ongoing processes of industrial reconversion and restructuration. It should do so, however, by exercising its own profession and not confusing roles--by remaining faithful to its historical heritage and to its most recent program, that is to say, by being an active participant not only in the struggle for a more perfect social justice but also in the struggle for the transformation of society. It is essential for the very governability of our country and our society--and for the future of our democracy--that the trade union movement successfully accomplish this function.

The entire exchange of ideas on these subjects cannot help but lead, in substance, to the subject of government. We hope that the congress of Palermo will say something new in this connection and will also draw up a thoughtful balance sheet of the experiences that the PSI has accumulated during these months with regard to "governability." We are convinced that the socialist comrades cannot remain wedded to a last-ditch defense of the present government and its policy, or at best to believe that the problem can be resolved by "alternating" the prime ministership. They can no longer remain silent--as they are in fact now doing--concerning our proposal for a democratic alternative: we hope they will at last go into the matter fully, if only to stimulate us, to pose questions to us, to ask us for clarifications, to initiate a debate. The comrades of the socialist left whom we quoted previously have put forward a proposal for a "government of the public weal." Other groups of socialist comrades are putting forward other proposals. But what does the majority propose as a solution to the real political problem that we face--the problem as to how Italy can and should be governed in such a harsh and dangerous period? Our view--as is well known--is that this government is not capable of managing the nation in such a difficult moment, and it is unnecessary for us to reaffirm our readiness to discuss with the socialist comrades not only certain individual aspects (however important they may be) of economic, social and trade union policy but also, and above all else, this problem of which we speak--this problem which is of decisive importance for the future of the nation.

10-72

CSO: 3104/254

CISL'S CARNITI VISITS ISRAEL

Rome QUOTIDIANO AUSEI in Italian 15 Apr 81 pp 2-3

[Text] AUSEI, 13 Apr 81--Pierre Carniti, CISL's secretary general, visited Israel from 8 to 12 April, on the invitation of Histadrut, the general confederation of labor.

In the course of the conversations with Meshel, Histadrut's secretary general, and with other representatives of the confederation, Carniti, who was accompanied by Gabaglio, the person responsible for the unitary federation's concerns and views on the Arab-Israeli conflict and on the situation in Lebanon, underlining how a just and long-lasting peace in the area is of vital interest not only for the peoples directly involved, but for the workers throughout the world as well and that it requires, therefore, the mobilization of the union movement. Moreover, a proposal along these lines was submitted a few months ago by the Italians for a renewed initiative by International CISL, to which both Histadrut and CISL belong, on the Middle East question.

The frank and friendly discussion brought to light, in spite of the affirmed mutual desire to work toward a true and stable peace, divergences in approach and priorities. Histadrut, in fact, gives top priority to the security of the State of Israel and its borders, even though it recognizes the existence of the Palestine question which must be met without bias once the objective has been established. CISL, in keeping with the unitary federation position, identifies substantially, instead, with the European initiative of June 1980, based on withdrawal from the territory occupied by Israel during the 1967 war, on the self-determination of the Palestinian people, including the possibility of establishing in these territories an independent state, on full guarantee of security for Israel and for all the states in that region. As far as Lebanon is concerned, this means immediate protection of its territorial independence and integrity, and an end to Israeli interference and attacks in the southern part of the country and to any other interference not in line with UN decisions. With regard to the social situation in the territories occupied by Israel, CISL maintains the criticism expressed about the consequences, for the Arab workers and population, of the policy of establishing Israeli settlements, which the Begin government wanted, and on the limitation in union rights in these territories already brought forward within the International Labor Organization, while acknowledging the initiatives that Histadrut has recently undertaken in this area.

While in Israel, Carniti and Gabaglio visited social and economic institutions generated by the union movement, as well as a kibbutz, and held informative talks with representatives of the shadow government of the labor opposition and with executives of the foreign ministry.

Since the visit took place the day after the union elections, Carniti expressed to Meshel CISL's congratulations on the success achieved by the list formed by labor and left-wing socialist candidates, which thus maintains, with an ample margin, the management of Israel's Union Confederation.

A delegation from Histadrut, led by secretary general Meshel, has been invited to Italy.

9758

CS01 3104/248

POLITICAL

ITALY

CGIL-CISL-UIL ISSUES STATEMENT ON LEBANON

Rome QUOTIDIANO AUSEI in Italian 15 Apr 81 p 13

[Text] AUSEI, 14 Apr 81--The CGIL-CISL-UIL Federation, in consideration of the dangerous worsening of the situation in Lebanon caused by the increase in the Israeli raids, which systematically violate international rights, causing almost daily victims among the civilian population and fanning the spiral of tension which seriously threatens peace in the whole region, condemns any destabilizing intervention in Lebanon and makes appeals for the scrupulous implementation of all UN decisions concerning the integrity, independence, and unity of the country. The federation observes, furthermore, that in the last few days the situation of the population worsened also because of FAD [Dissuasive Arab Force] raids in reaction to provocative attacks of Falangist separatist forces.

The policy of "preventive retaliation" implemented by Israel, with the help--in Southern Lebanon--of Major Haddad's Lebanese separatist militia, must be strongly condemned, as well as the Falangists' separatist action in Beirut and in the Bekaa region. The increasing Israeli aggression from the south in the past few days, together with the Falangist action in the north, are aimed at involving Syria and the Dissuasive Arab Force in such a way as to render its function and presence dubious, worsen inter-Arab relations, and create conditions for further outside intervention directed at the elimination of the Palestinian Resistance. This plan must be vigorously fought and the mystification of the so-called "religious fight" cannot hide its extremely dangerous nature.

The CGIL-CISL-UIL Federation--in stressing its full solidarity with the Lebanese general confederation of labor and to all Lebanese workers fighting for the unity, independence, and integrity of their country--asks that all European governments give greater and urgent attention to specific peace initiatives in the region; that in order to stop the suffering of the population, all parties concerned act with the greatest responsibility and moderation; and that UN forces be placed in the position of being able to fulfill their mandate, which is to guarantee the recognition of the Lebanese international border.

9758

CSO: 3104/248

ITALIAN-HUNGARIAN LABOR-UNION SEMINAR HELD IN ARICCIA

Rome QUOTIDIANO AUSI in Italian 13-14 Apr 81 p 1

[Text] Ausi, 10 Apr 81--The Central Council of the Hungarian unions and the CGIL-CISL-UIL Federation held in Ariccia a seminar on "the union in the two countries facing the effects of world crisis."

The seminar was attended by Italian and Hungarian union executives and experts. Topics examined were the principal economic and social problems that the union movement must face at this time in both countries, due to world economic crises, while accounting for the political and economic differences between the two systems. The discussion focused particularly on the importance of the growing autonomous role of the union with regard to the central questions of economic planning, employment, and the safeguarding of the standard of living and work conditions.

Commonalities include the urgent need for both governments to resolve the world economic crisis that meets the workers' interests and for the widest democratic participation to be involved in the decision-making process.

Mutual also is the conviction that a new international economic order is a must. The seminar allowed for a deep exchange of information on the workers' various forms of participation in management choices, as well as in those more general involving planning.

The CGIL-CISL-UIL Federation affirmed its commitment to bring forward a planning policy emphasizing labor demands as much as participation. It compared the various experiences and gains obtained in the improvement of working conditions, in the protection of real income, and above all in fighting inflation and attaining full employment.

The Hungarian unions, in spite of the previously mentioned economic difficulties, committed themselves first to safeguard and strengthen the major results obtained in the standard of living, in full and effective employment. Furthermore, they intend to consolidate their participation in the decision-making process, above all through the workers' participation and by continuously expanding the use of workers' rights. The seminar's participants agree on the necessity of renewing the detente process, an essential condition for the development of economic and political relations between the two countries, beyond the differences in the social

system and for overcoming economic difficulties in order to respond coherently to the workers' interests.

These efforts showed the usefulness of a method of comparison and combined reflection, such as that tried out in the seminar. The participants are convinced of the importance of new and similar initiatives for the purpose of increasing awareness of mutual experiences and situations.

9758

CSO: 3104/248

COMMUNISTS LEAVE SV EXECUTIVE COMMITTEE

Oslo ARBEIDERBLADET in Norwegian 17 Mar 81 p 2

[Text] It is worth noting that since the national meeting of the Socialist Left party (SV) last weekend there is no longer a single member of the Norwegian Communist Party (NKP) on the SV executive committee. A coincidence? No. What was expected to happen to SV has happened: It could not live up to the assurances given at "the joint congress" in Trondheim in March 1975 that, as a revolutionary party, the Socialist Left Party was founded on Marxist theories. Built-in ideological differences among the various SV factions were too great for that. Based on that realization, NKP voiced its opposition to a "coalition party" that was doomed to fall apart sooner or later. Instead, NKP suggested the various factions unite behind everything on which they agreed by retaining SV as a coordinating organ but maintaining the separate parties, such as the Norwegian Communist Party (NKP), the Socialist People's Party (SF), the Democratic Socialist Party (AIK) or political independents.

By adopting that idea, the labor situation would have been quite different and far better than it is today. The agonizing struggle could have been avoided. We could have waged a joint offensive campaign against the common enemy, the Conservatives, who are now forging ahead and taking the offensive. But, as we know, SF leaders like Berge Furre and Finn Gustavsen, in particular, wanted something else. They were more concerned about "getting ahead of" NKP than contributing to a binding leftist cooperation. With that object in mind, SF donned Marxist clothing in 1975. That clothing has now been discarded by Berge Furre and other SV leaders. Old SF terms are being revived and offered once more on the political market.

One such term, which was affirmed at the national meeting of the Socialist Left Party, is that SV shall use its energies to combat "the superpowers' nuclear armaments." It could not possibly have escaped the attention of delegates at the national meeting that one of the two "superpowers" only 2 weeks ago made concrete proposals for negotiations that could lead to reduced tension, armament reduction and peace efforts unlike any other. But what does that matter to a party like SV, which by portraying the imperialistic United States and the socialistic Soviet Union as "equals" tries to avoid being lumped together with the Communists and which openly states that such "equality" does not exist in the real world and only serves to confuse world opinion.

In spite of this and in spite of the fact that SV now represents the old SF as a non-revolutionary reform party, NKP is not an enemy of the SV. Now as before, NKP for its part is prepared to cooperate across party lines on as broad a basis as possible, be it with members of the Socialist Left Party, the New Labor Party and others in favor of reduced tension, peace and the labor movement.

POLL SHOWS CONSERVATIVE PARTY VOTERS LEAST SURE

Stockholm DAGENS NYHETER in Swedish 3 May 81 p 6

[Article by Sven Svensson, journalist: "The IMU/DN Voter Poll: Almost One Out of Two Liberal Voters Deserts His Party"]

[Text] Almost one out of two Liberal voters has deserted his party since the elections in the fall of 1979. This is one of the results from a study of party loyalty and party changes, executed by the IMU on behalf of DN.

In the Liberal Party, 59 percent of the voters are still loyal to their party; 41 percent - 4 out of 10 - have changed to another party. Most of the undecideds have gone to the Moderates (Conservatives), 18 percent, but almost as many, or 14 percent, have moved to the Social Democrats.

The most recent IMU-poll was conducted between January 26 and April 1. It is based on 1000 interviews with people aged 15 to 74. In rounded figures, the Liberals got 11 percent of the votes in the fall election of 1979. During the fall of 1979, 76 percent of these voters remained loyal to their party. This share declined to 52 percent (one out of two) in the spring of 1980 and stabilized at the level of 39 percent in the winter of 1981.

In addition to the numerous desertions to the Moderates and to the Social Democrats, 4 percent of the Liberal voters have gone to the Center Party, 2 percent to the VPK [Left Party Communists] and 2 percent to other parties.

In the last elections the Center Party got 19 percent of the votes. Party loyalty has declined from 85 percent in the fall of 1979 to 69 percent as of last winter.

One Out Of Three Deserts the Center Party

Of those deserting the Center Party (31 percent), a major part, 13 percent, has gone to the Social Democrats, 8 percent to the Moderates and 5 percent to the Liberals. During the winter of 1980 only 2 percent of Center Party voters changed to the Social Democratic Party.

Party loyalty is flinching also within the Left Wing Communist Party, VPK (6 percent of election votes). The share of faithful VPK-voters has declined from 85 to 74 percent. Twenty percent of the undecideds have changed to the Social Democratic Party.

The Moderates got 20 percent of the votes in the elections and show a stable party loyalty, exceeding 90 percent. In the winter of 1981 the figure was 92 percent. Three percent of those leaving the Moderates since the elections have moved to the Liberals, 2 percent to the Social Democrats and 1 percent to the Center Party.

The Social Democrats got 43 percent in the elections and their voters are very loyal. The share of voters remaining faithful to the party has increased from 95 to 97 percent. Of the floaters, the Moderates, the Center Party and other parties got one percent each.

The IMU has also studied "gain possibilities" and "loss risks" by dividing the voters into safe party supporters and possible floaters in or out of the various parties. The study was based on the poll alternatives "favorite party" and "second favorite party."

In the party polls the Moderates have retained a stable voter share around 23 percent (20 in the elections). The share of safe Moderate supporters has increased from 11 percent in the fall of 1979 to 14 in the spring of 1980, but has declined to 12 percent in the winter of 1981. The largest share of safe Moderate supporters are to be found in the big cities.

Moderates Run the Biggest Risk of Losses

The Moderates run larger risks of loss than possibilities of gain, seen in relation to other parties. Loss risks are enumerated at 10 percent and gain chances at 4 percent (giving a net of minus 6). The Liberals (5 percent) and the Center Party (4 percent) are the most popular alternatives for Moderate voters. But it is at the same time from the Liberals (2 percent) and from the Center Party (3 percent) the Moderates have the best chances of gaining new voters.

The Liberal Party stands at 8 percent in voter polls (11 in the elections). The share of safe supporters is a stable, but low, 2 percent. The Liberals have the far best chances of all parties to increase their strength, showing a net between inflow and outflow of 10 percent. Under certain circumstances, Mr Ullsten could more than double the strength of his party.

The outflow is 5 percent and the inflow 15 percent. The chances of gaining voters are largest from the Social Democrats (7 percent), the Moderates (5 percent) and the Center Party (3 percent). The risk of losses to the Moderates or to the Center Party is 2 percent each and to the Social Democrats 1 percent.

Decline For the Center Party

The Center Party received 19 percent of the votes in the elections, but according to polls, their number of safe and possible supporters has declined to 13 percent.

Also the share of safe supporters has declined somewhat or to 5 percent. Loss risks are 7 percent and gain possibilities 10 percent. The net result of plus 3 is the very best ever noted for the Center Party.

Loss risks are 3 percent each to the Moderates or to the Liberals. This means that potential losses to the Moderates have been halved since 1979 when the number was 6 percent. Chances of gaining voters are equal in relation to the Moderates or to the Social Democrats, 4 percent each, and 2 percent may come from the Liberals.

The Social Democrats got 43 percent in the elections and have increased their support among potential voters to 47 percent. The share of safe supporters first increased markedly, from 21 to 28 percent, but has later slipped to 24 percent. The most significant increase in the number of safe supporters has been noted in cities of the "average size" category.

Mr Palme Runs the Largest Risk

Mr Palme by far runs the largest risk of any party leader of losing support. His loss risk is 22 percent and his chances of gaining 5 percent, so the net between inflow and outflow is 17 percent. In comparison with earlier polls this implies an increase, which, however, should be seen in relation to the gains made by the party in voter polls.

The loss risks are 7 percent each to the Liberals and to the VPK and 4 percent to the Center Party. The best chances of gaining come from the VPK, 2 percent.

The VPK, with 6 percent in the elections, notes a stable level of 2 percent of safe supporters and a positive net figure of 5 percent between inflow and outflow.

This Is How Voters Have Changed:

The Parliament Elections in 1981, Results in Percent Shares

M	FP (Lib)	C	S	VPK
20	11	19	43	6

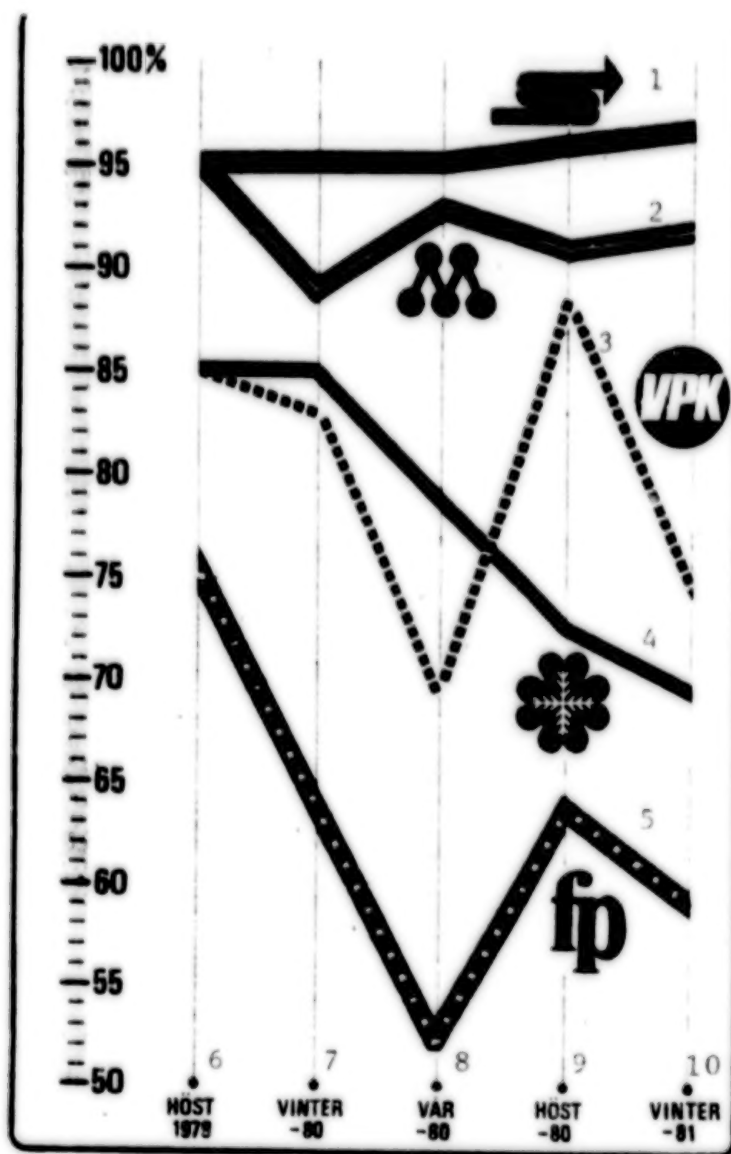
Favorite Party in the Winter of 1981

	M-voters	Lib-voters	C-voters	S-voters	VPK-voters
M	92	18	8	1	1
FP (Lib)	3	59	5	-	-
C	1	4	69	-	1
S	2	14	13	97	20
VPK	-	2	1	1	74
Other party	1	2	1	1	2
	100	100	100	100	100

- The table shows party loyalty and party changes from the elections in 1979 to the winter of 1981 within the five parties in the Parliament.

Circled numbers show the remaining loyal voters for each party, whereas the other numbers show undecideds.

The table shows that of the 20 percent voting for the Moderates in the elections 92 percent--9 out of 10--remain loyal to the Moderates. Of the 8 percent voters for the Moderates who changed favorite party, 3 percent went to the Liberals, 1 percent to the Center Party, 2 percent to the Social Democrats and 1 percent to another party. The Liberals have the lowest number of loyal voters, 59 percent. Four out of 10 Liberal voters have changed party affiliation since the elections.



Footnote: The figures in the table have been rounded and may therefore not add up to given totals.

[Key]

1. Social Democrats
2. Moderates
3. Communists
4. Center Party
5. Liberals
6. Fall 1979
7. Winter 1980
8. Spring 1980
9. Fall 1980
10. Winter 1981

[The following text relates to the chart]:

The chart above shows voter loyalty since the elections in 1979. Compared to the position of last fall the loyalty of S-voters has improved from 95 to 97 percent and that of M-voters from slightly more than 90 to 92 percent. However, the Center Party shows a decline to 69 percent. The most significant downturn as noted by the VPK, sliding from 85 to 74 percent. Voters for the Liberal Party successively improved their loyalty during the summer and fall of 1980, but are now flinching again. 59 percent is the latest figure of faithful Liberal voters.

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